

NICOR GAS COMPANY
OO&M Budget
2002
(in thousands)

	January	February	March	April	May	June	July	August	September	October	November	December	Annual
OO&M without Selected Items													
Operations	\$1,218.4	\$904.8	\$949.0	\$934.3	\$946.6	\$935.5	\$790.9	\$1,098.5	\$1,090.5	\$1,070.8	\$915.0	\$1,011.5	\$11,865.6
Business Systems Support	33.2	34.2	36.2	35.4	34.4	37.4	35.8	34.3	36.8	35.8	34.3	36.3	424.0
Workload Administration	131.9	128.9	125.8	126.5	130.8	131.5	131.9	132.0	132.0	128.4	121.3	121.9	1,543.0
Dispatch - Central	74.0	74.0	74.0	74.0	74.0	74.0	74.0	74.0	74.0	74.0	74.0	74.0	888.1
Leak Survey	101.8	106.5	103.4	129.5	141.9	139.1	134.1	154.6	157.7	130.2	116.4	101.7	1,516.8
Locating	360.3	296.5	471.6	703.1	762.6	648.8	653.7	650.3	594.5	652.3	499.2	358.8	6,851.8
Meter Reading	405.8	411.5	405.8	420.7	466.5	401.1	439.5	455.7	411.9	426.8	434.7	401.3	5,081.3
Corrosion	206.8	220.3	263.3	245.2	271.8	259.1	223.5	213.4	218.7	218.7	236.2	206.7	2,783.6
Fleet Management & Safety	568.6	665.5	627.7	593.2	811.1	745.5	574.7	608.3	625.4	574.7	657.4	646.4	7,698.5
AVP Office of Customer Response	(422.0)	(467.5)	(447.4)	(431.8)	(551.0)	(513.9)	(421.9)	(436.9)	(453.1)	(418.7)	(453.6)	(440.8)	(5,458.5)
Customer Response Subtotal	2,678.9	2,374.8	2,609.3	2,830.1	3,088.6	2,658.1	2,636.2	2,984.1	2,888.4	2,892.9	2,634.9	2,517.9	32,994.3
Technical Training & Measurement	324.4	333.9	370.7	343.3	347.5	375.6	345.6	342.1	368.5	333.0	331.9	362.7	4,179.1
Engineering	88.1	129.3	127.2	157.2	137.9	125.3	110.1	109.4	160.0	142.6	124.9	301.8	1,713.7
AVP Supply Operations	692.7	717.7	721.5	771.0	656.7	736.4	663.0	753.7	746.6	638.5	664.8	813.7	8,576.2
Sr VP Operations Administration	5.0	5.7	5.6	5.6	5.1	6.0	4.9	4.9	5.9	5.2	5.9	5.5	65.4
Total SR VP Operations	3,789.1	3,561.3	3,834.3	4,107.2	4,235.8	4,101.3	3,759.8	4,194.1	4,169.4	4,012.3	3,762.4	4,001.6	47,528.6
System Operations	598.9	632.4	692.1	599.0	665.0	627.2	669.7	703.4	720.5	628.8	580.6	547.2	7,664.7
Distribution	1,014.0	1,023.5	1,061.2	1,074.0	1,265.7	1,033.9	1,018.6	1,054.3	1,058.7	1,272.0	1,075.7	949.9	12,901.5
NCAT	47.3	41.2	50.6	47.8	51.1	79.2	54.5	59.9	25.8	48.4	39.1	35.7	580.7
Ofc VP Distribution	(286.9)	(235.2)	(359.5)	(395.0)	(529.2)	(395.2)	(419.7)	(449.6)	(536.7)	(445.8)	(420.3)	(332.9)	(4,806.2)
Total VP Distribution	1,373.3	1,461.8	1,444.3	1,325.9	1,452.6	1,345.1	1,323.1	1,368.0	1,268.2	1,503.4	1,275.1	1,199.8	16,340.7
Sales & Marketing	222.8	271.6	275.8	244.8	277.9	275.6	261.1	251.6	254.9	243.4	250.4	248.0	3,077.8
CIS Call Center	711.4	820.5	965.3	978.5	963.4	912.6	845.4	865.4	796.0	881.7	864.2	796.2	10,400.4
Community Affairs	102.6	118.4	124.1	111.2	114.6	123.2	99.9	110.0	125.3	108.6	117.4	113.6	1,369.0
Credit Areas	342.9	500.9	383.0	388.3	411.5	520.1	412.3	411.8	407.9	373.1	351.7	343.5	4,847.0
Billing & Gas Transportation	298.5	475.7	334.8	338.7	352.9	363.8	395.7	350.7	335.7	337.4	340.4	330.6	4,254.7
Other Customer Care Departments	7.6	10.1	7.6	10.1	8.4	7.6	7.6	7.6	8.4	9.6	7.7	7.6	100.0
Total VP Sales & Customer Care	1,685.6	2,197.3	2,090.5	2,071.6	2,128.6	2,202.8	2,022.1	1,997.1	1,928.2	1,953.8	1,931.8	1,839.5	24,048.0
Facility Services	376.9	386.3	389.7	356.7	345.5	352.4	349.9	347.5	348.8	352.4	360.8	340.4	4,307.2
Labor Relations	48.3	53.9	51.5	49.8	48.2	53.4	48.7	49.8	54.7	69.6	56.8	57.3	642.0
Human Resources Administration	315.6	391.6	373.2	385.6	470.1	379.2	447.3	375.5	383.3	362.6	327.8	290.0	4,501.7
Corporate Communications	265.3	701.6	557.9	476.9	415.2	290.7	250.5	210.0	237.0	218.6	221.3	295.3	4,140.5
Corporate Memberships & Contributions	476.7	176.0	148.4	43.5	41.7	140.6	42.3	50.7	140.2	534.4	54.2	139.8	1,988.5
SVP Human Resources Administration	54.0	56.7	50.4	55.3	58.6	52.2	55.5	56.2	56.4	60.7	58.8	55.7	670.5
Total SR VP Human Resources & Customer Care	1,536.7	1,766.2	1,571.1	1,367.8	1,379.3	1,268.4	1,194.3	1,089.7	1,220.3	1,598.3	1,079.8	1,178.4	16,250.5
IS Dept. Administration	601.8	613.2	667.3	634.6	593.5	721.4	625.4	624.9	706.5	649.9	715.1	774.2	8,127.6
Voice & Data Operations	244.7	187.7	204.2	184.8	184.6	194.9	218.1	196.0	222.9	200.0	267.9	316.9	2,822.6
IS Asset Management	659.7	398.2	270.8	245.5	218.5	248.0	543.4	295.5	220.7	268.5	227.3	482.5	4,078.7
Total VP Information Services	1,506.2	1,399.1	1,142.2	1,064.9	996.6	1,164.2	1,386.9	1,116.4	1,150.1	1,118.4	1,210.2	1,573.6	14,828.9
Procurement	145.4	134.0	189.5	133.9	121.4	159.9	129.2	125.5	130.0	121.5	130.0	126.2	1,646.5
Accounting	209.3	439.9	334.5	223.0	238.2	336.3	205.1	216.6	284.9	218.7	265.4	357.7	3,329.6
Total VP & Controller	354.6	574.0	523.9	357.0	359.6	496.2	334.3	342.2	415.0	340.1	395.4	483.9	4,976.1
Real Estate	36.3	41.3	45.5	45.4	45.9	46.4	46.2	45.7	46.3	45.9	46.4	46.1	537.1
Rates & Money Management	148.0	119.3	140.0	111.7	113.7	135.3	107.8	106.5	129.2	104.1	111.9	131.0	1,456.8
Finance & Forecasting	41.6	46.4	45.2	45.8	42.4	46.5	42.4	44.2	46.8	41.6	45.2	47.7	535.7
Office of VP Administration	60.2	61.4	60.5	60.0	59.1	61.4	60.2	59.8	60.5	59.3	60.5	58.8	722.7
Total VP Administration & Treasurer	284.1	268.4	291.2	262.9	261.0	289.5	256.6	256.2	282.8	250.8	264.0	284.6	3,252.2
Claims Department	69.3	72.5	72.8	69.5	68.3	72.2	70.3	69.5	70.8	69.8	70.8	69.5	845.2
Legal Department	23.6	23.8	33.4	26.4	36.9	28.0	37.4	27.1	27.8	40.8	26.9	27.9	360.1
Office VP, General Counsel & Secretary Administration	3.7	3.8	3.9	7.6	5.0	5.3	3.9	4.2	3.6	7.5	3.6	3.8	55.7
Total VP, General Counsel & Secretary	96.7	100.0	110.1	103.5	110.2	105.4	111.6	100.8	102.2	118.0	101.3	101.2	1,261.0
Internal Auditing	67.0	78.6	71.5	68.9	72.0	73.8	67.0	73.9	71.2	66.7	76.2	68.9	855.8
Risk Management & Internal Controls' Support	45.7	79.3	81.3	82.5	80.0	86.9	53.0	52.1	50.3	47.0	50.2	49.2	757.6
Total Ex VP & Chief Risk Officer	112.7	158.1	152.8	151.4	152.0	160.7	120.0	125.9	121.6	113.7	126.5	118.1	1,613.4
Total Chairman	150.5	185.6	193.0	181.0	169.3	218.5	170.2	173.0	210.5	165.6	183.3	196.4	2,197.0
Total Ex VP & Chief Financial Officer	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	10.0
Total SR VP Diversified Ventures & Corp. Planning	83.0	90.6	136.4	94.2	92.2	105.8	82.9	85.6	85.4	86.2	86.1	129.3	1,157.7
Total President & CEO	89.3	64.3	69.1	54.3	60.0	63.0	62.3	80.1	52.4	62.4	51.8	46.1	754.9
Total OO&M without Selected Items	11,062.7	11,827.4	11,559.7	11,142.5	11,398.1	11,521.9	10,824.9	10,929.8	11,007.0	11,323.9	10,468.5	11,153.5	134,220.0

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2002
(in thousands)

	January	February	March	April	May	June	July	August	September	October	November	December	Annual
Selected Items													
PBR & Special Investigations	0	0	0	0	0	0	0	0	0	0	0	0	0
Benefit Plans	917.2	737.6	798.6	767.3	813.9	691.9	930.7	814.2	691.9	759.9	814.6	699.5	9,437.2
Software Expensed	460.4	291.0	316.0	280.5	262.3	263.8	257.4	233.5	213.6	85.0	87.6	74.2	2,825.3
Billed by Nicor	430.6	449.4	541.7	490.6	434.6	405.3	430.5	465.3	481.5	460.3	402.8	416.6	5,409.2
Payroll Additives	(270.0)	(268.8)	(270.2)	(234.7)	(234.6)	(234.2)	(230.3)	(230.6)	(230.8)	(231.0)	(230.0)	(231.2)	(2,896.4)
Cost of Services Rendered	160.6	180.6	271.5	255.8	200.0	171.1	200.2	234.7	250.7	229.4	172.6	185.4	2,512.8
Employee Benefit Insurance	814.9	813.3	814.7	814.7	664.9	813.7	891.4	890.4	891.4	725.3	891.4	890.4	9,916.7
Vacation Accrual	(150.0)	(150.0)	(150.0)	(150.0)	(150.0)	(150.0)	(150.0)	(150.0)	(150.0)	(150.0)	(150.0)	(150.0)	(1,800.0)
Future Health Care	1,158.3	1,158.3	1,158.3	1,158.3	1,158.3	1,158.3	1,158.3	1,158.3	1,158.3	1,158.3	1,158.3	1,158.3	13,900.0
Provision for Uncollectibles	1,933.3	1,594.0	1,407.5	908.4	579.3	443.0	421.3	418.0	448.6	746.8	1,090.0	1,642.5	11,630.8
Pension Provision	(972.9)	(972.9)	(972.9)	(972.9)	(972.9)	(972.9)	(972.9)	(972.9)	(855.9)	(972.9)	(972.9)	(972.9)	(11,558.0)
Franchise Gas	88.0	88.0	88.0	88.0	92.6	93.0	93.0	93.0	93.0	93.0	93.0	93.0	1,095.6
Company Use & Fuel Gas	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Weather Insurance	360.5	283.9	223.9	127.3	55.5	6.8	1.1	1.1	17.7	97.2	202.0	312.9	1,690.0
Property & Casualty Insurance	124.2	124.2	124.2	124.2	124.2	124.2	238.3	238.3	238.3	238.3	238.3	238.3	2,175.0
A&G Capitalized	(562.5)	(562.5)	(562.5)	(562.5)	(562.5)	(562.5)	(562.5)	(562.5)	(562.5)	(562.5)	(562.5)	(562.5)	(6,750.0)
Wilmotte Outage	0	0	0	0	0	0	0	0	0	0	0	0	0
Corporate Postage	475.3	471.4	482.2	487.2	499.3	398.2	371.7	372.8	371.1	531.3	537.0	536.1	5,533.4
Total Selected Items	4,807.4	4,056.9	3,999.5	3,326.4	2,764.8	2,478.7	2,878.1	2,768.9	2,804.4	2,703.1	3,323.5	3,868.4	39,780.0
Total OO&M	\$15,870.0	\$15,884.4	\$15,559.2	\$14,468.9	\$14,162.9	\$14,000.6	\$13,703.0	\$13,698.8	\$13,811.4	\$14,027.0	\$13,792.0	\$15,021.9	\$174,000.0

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2003
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	January	February	March	April	May	June	July	August	September	October	November	December	Annual
OO&M without Selected Items													
Operations	\$1,033.1	\$881.7	\$963.2	\$916.6	\$998.2	\$905.0	\$870.0	\$998.2	\$951.6	\$1,068.1	\$905.0	\$1,114.7	\$11,605.3
Business Systems Support	44.5	45.5	47.5	45.5	44.5	47.5	46.0	44.5	47.0	46.0	44.5	46.5	549.0
Workload Administration	126.5	126.5	126.5	126.5	126.5	126.5	126.5	126.5	126.5	126.5	126.5	126.5	1,518.0
Dispatch - Central	76.5	76.5	76.5	76.5	76.5	76.5	76.5	76.5	76.5	76.5	76.5	76.5	917.9
Leak Survey	98.7	104.0	139.6	117.2	127.6	144.1	164.9	168.7	187.2	176.3	132.6	111.4	1,672.4
Locating	320.1	305.0	429.3	690.3	726.6	649.8	690.7	640.3	645.0	666.3	551.0	377.9	6,692.3
Meter Reading	431.2	390.2	408.3	423.7	437.0	411.1	449.2	438.5	399.8	452.9	396.7	400.0	5,040.8
Corrosion	166.7	188.4	211.3	238.2	267.2	253.7	257.8	263.4	274.9	278.3	258.6	313.7	2,970.4
Fleet Management & Safety	633.3	555.0	579.0	606.4	877.2	686.1	637.1	593.9	608.0	649.3	592.9	658.3	7,656.5
AVP Office of Customer Response	(441.6)	(396.8)	(411.7)	(426.7)	(426.7)	(411.7)	(441.6)	(411.7)	(426.7)	(441.6)	(396.8)	(441.6)	(5,075.4)
Customer Response Subtotal	2,488.9	2,274.0	2,569.4	2,814.3	3,254.6	2,868.6	2,877.0	2,938.7	2,889.8	3,098.4	2,689.5	2,783.8	33,547.1
Technical Training & Measurement	344.6	315.3	365.0	334.7	324.8	345.7	331.7	336.5	344.5	341.2	319.9	380.2	4,064.1
Engineering	102.8	158.5	145.0	188.2	194.9	157.6	152.7	150.2	162.7	167.8	142.5	305.9	2,028.7
AVP Supply Operations	691.0	621.5	714.9	633.0	712.7	631.1	579.7	560.3	582.3	592.2	555.8	576.7	7,451.3
Sr VP Operations Administration	4.2	9.2	25.9	6.2	5.5	40.9	0.5	(0.4)	63.3	6.3	(0.6)	58.0	219.1
Total SR VP Operations	3,631.4	3,378.4	3,820.3	3,976.4	4,492.5	4,044.0	3,941.7	3,985.4	4,042.6	4,205.9	3,707.1	4,104.6	47,330.2
System Operations	710.8	683.4	715.4	818.4	785.6	682.5	697.1	695.2	720.3	914.9	727.3	767.9	8,878.8
Distribution	893.0	834.1	961.3	1,002.7	1,090.8	1,014.4	942.6	1,053.0	925.5	1,560.3	1,328.5	1,314.6	12,920.9
NCAT	69.1	86.8	80.5	72.8	76.1	80.3	62.9	61.7	68.0	85.8	59.7	50.5	854.4
Ofc VP Distribution	(413.2)	(362.2)	(399.1)	(329.3)	(441.8)	(412.6)	(350.7)	(418.1)	(385.5)	(553.2)	(489.4)	(518.0)	(5,073.1)
Total VP Distribution	1,259.8	1,242.1	1,358.1	1,564.6	1,490.7	1,344.6	1,351.9	1,391.9	1,328.3	2,007.9	1,626.2	1,815.0	17,581.0
Sales & Marketing	254.5	239.1	253.9	236.1	253.6	258.1	247.2	255.6	246.2	255.7	238.0	255.9	2,993.9
CIS Call Center	734.3	638.1	648.3	700.6	710.5	700.1	712.0	721.2	737.6	740.7	630.7	598.4	8,272.6
Community Affairs	97.5	96.7	108.2	93.9	107.5	95.3	96.9	94.6	107.1	87.7	114.4	89.1	1,188.7
Credit Areas	438.8	605.7	516.5	529.2	569.2	731.3	574.8	575.7	623.2	508.8	488.8	533.6	6,695.8
Billing & Gas Transportation	448.5	430.9	292.8	290.4	321.4	448.5	270.6	282.8	270.6	302.4	294.1	301.2	3,954.2
Other Customer Care Departments	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	84.0
Total VP Sales & Customer Care	1,980.6	2,017.5	1,826.7	1,857.3	1,969.2	2,240.3	1,908.5	1,936.9	1,991.7	1,902.3	1,773.1	1,785.1	23,189.2
Facility Services	428.8	450.3	450.6	434.6	442.9	428.8	434.8	415.1	433.3	518.4	511.2	479.3	5,428.1
Labor Relations	42.6	47.6	45.6	44.1	44.1	45.6	42.1	45.7	46.7	58.2	48.0	43.7	554.1
Human Resources Administration	317.2	439.3	365.3	436.6	430.6	504.6	407.6	445.6	396.4	400.8	384.6	333.3	4,861.8
Corporate Communications	134.5	456.9	252.6	259.7	234.9	254.4	233.7	336.4	232.4	246.1	249.8	236.8	3,128.2
Corporate Memberships & Contributions	484.6	177.3	153.8	49.4	47.4	148.2	50.3	89.4	159.0	544.1	46.1	141.1	2,090.7
SVP Human Resources Administration	40.7	42.7	46.1	49.9	42.0	38.2	44.3	45.1	42.9	50.8	48.9	40.9	532.4
Total SR VP Human Resources & Customer Care	1,448.3	1,614.1	1,313.9	1,274.3	1,241.9	1,419.9	1,212.8	1,377.3	1,310.8	1,818.3	1,288.6	1,275.2	16,595.4
IS Dept. Administration	825.3	760.1	849.7	731.8	737.2	704.4	759.4	697.1	717.7	751.1	664.9	794.4	8,993.1
Voice & Data Operations	213.3	212.9	220.2	214.5	212.4	208.3	212.1	207.8	211.4	212.2	203.9	203.2	2,532.2
IS Asset Management	298.0	370.0	433.5	383.5	366.9	404.6	378.2	373.7	413.4	385.5	376.9	434.7	4,618.9
Total VP Information Services	1,336.6	1,343.0	1,503.3	1,329.8	1,316.4	1,317.3	1,349.8	1,278.6	1,342.5	1,348.8	1,245.7	1,432.3	16,144.1
Procurement	113.3	189.2	172.1	200.9	166.5	192.8	198.3	176.5	227.3	319.1	260.8	188.6	2,405.2
Accounting	256.2	254.7	370.8	255.7	263.7	350.7	255.3	215.8	301.9	242.8	207.9	183.5	3,158.9
Total VP & Controller	369.5	443.8	543.0	456.6	430.2	543.5	453.6	392.3	529.2	561.9	468.6	372.0	5,564.1
Real Estate	62.3	67.4	63.7	63.7	62.4	69.2	64.8	58.1	61.0	62.1	73.2	85.4	773.5
Rates & Money Management	88.6	145.4	124.3	92.7	118.2	106.1	101.5	187.4	165.2	172.0	111.8	162.3	1,575.6
Finance & Forecasting	34.3	22.8	21.5	48.0	30.3	31.2	42.0	29.9	37.9	40.5	33.7	40.6	412.6
Office of VP Administration	48.1	48.1	50.0	48.1	48.1	50.0	48.1	48.1	50.0	48.1	48.1	50.0	585.1
Total VP Administration & Treasurer	233.3	283.7	259.6	252.6	259.0	256.6	256.4	323.4	314.1	322.8	266.9	318.3	3,346.7
Claims Department	42.3	60.9	43.3	42.8	43.3	42.8	42.7	43.2	42.7	47.9	43.6	42.7	538.0
Legal Department	211.4	215.7	221.1	186.0	179.4	171.4	176.8	173.7	172.5	194.3	172.7	167.4	2,242.2
Office VP, General Counsel & Secretary Administration	4.0	4.2	6.3	4.0	4.2	4.9	4.2	4.0	6.4	6.5	5.2	3.9	57.8
Total VP, General Counsel & Secretary	257.7	280.8	270.7	232.7	226.9	219.0	223.7	220.9	221.5	248.6	221.5	214.0	2,838.0
Internal Auditing	64.1	66.7	72.4	69.3	69.2	100.3	96.7	140.0	101.2	69.5	70.2	66.1	985.6
Risk Management & Internal Controls' Support	30.7	40.1	54.2	55.0	54.8	54.8	40.8	48.4	49.2	54.3	49.1	48.7	580.2
Total Ex VP & Chief Risk Officer	94.8	106.8	126.6	124.3	124.0	155.2	137.5	188.4	150.4	123.8	119.2	114.8	1,565.8
Total Chairman	227.9	224.7	224.6	229.4	224.6	225.4	228.1	225.7	224.6	225.3	224.0	227.9	2,712.0
Total Ex VP & Chief Financial Officer	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	1.2	0.8	0.8	10.0
Total SR VP Diversified Ventures & Corp. Planning	49.0	40.1	83.3	78.4	48.8	47.0	49.3	45.4	83.9	52.5	42.9	81.5	702.2
Total President & CEO	66.6	55.6	82.2	55.3	53.6	68.8	50.7	77.6	48.3	67.3	53.9	65.2	745.2
Total O&M without Selected Items	10,956.2	11,031.3	11,413.1	11,432.4	11,878.7	11,882.4	11,164.7	11,444.5	11,588.8	12,886.7	11,038.3	11,606.8	138,323.9

NICOR GAS COMPANY
OO&M Budget
2003
(in thousands)

	January	February	March	April	May	June	July	August	September	October	November	December	Annual
Selected Items													
PBR & Special Investigations	364.3	214.3	194.3	164.3	164.3	194.3	159.8	45.8	75.8	56.2	45.8	75.8	1,755.0
Benefit Plans	978.2	800.9	699.7	794.9	815.6	700.7	965.5	815.6	700.7	705.2	815.6	714.5	9,597.2
Software Expensed	132.8	142.1	146.8	186.1	206.2	198.9	201.8	217.2	222.5	231.5	226.5	312.4	2,425.0
Billed by Nicor	630.0	611.9	830.8	668.3	655.1	841.2	618.9	656.0	659.6	614.5	630.7	624.2	7,841.0
Payroll Additives	(331.0)	(287.9)	(302.3)	(316.7)	(316.7)	(302.3)	(331.0)	(302.3)	(316.7)	(331.0)	(287.9)	(331.0)	(3,756.8)
Cost of Services Rendered	299.0	324.0	528.5	351.6	338.4	338.9	287.9	353.7	342.9	283.5	342.8	293.2	4,084.2
Employee Benefit Insurance	812.0	809.2	809.6	809.6	701.8	809.6	894.8	894.8	894.8	760.5	894.4	890.8	9,981.9
Vacation Accrual	(114.7)	(114.7)	(83.1)	(104.2)	(104.2)	(104.2)	(104.2)	(104.2)	(104.2)	(104.2)	(104.2)	(104.2)	(1,250.0)
Future Health Care	1,513.8	1,513.8	1,459.6	1,495.8	1,495.8	1,495.8	1,495.8	1,495.8	1,495.8	1,495.8	1,495.8	1,495.8	17,949.0
Provision for Uncollectibles	4,031.5	2,793.4	2,483.5	1,379.5	889.0	594.2	576.3	587.5	617.9	1,091.5	1,764.8	2,531.1	19,340.0
Pension Provision	77.6	77.6	70.7	75.3	75.3	75.3	75.3	75.3	75.3	75.3	75.3	75.3	903.8
Franchise Gas	96.3	96.3	96.3	96.3	96.3	96.3	96.3	96.3	96.3	96.3	96.3	96.3	1,155.6
Company Use & Fuel Gas	1,220.8	1,160.9	990.9	706.8	623.4	461.7	455.3	574.7	878.2	1,070.0	771.4	785.8	9,700.0
Weather Insurance	607.2	436.9	372.7	6.3	6.3	6.3	6.3	6.3	6.3	210.7	359.6	373.5	2,400.0
Property & Casualty Insurance	452.1	446.4	446.4	446.4	446.4	446.4	529.9	529.9	529.9	529.9	503.7	503.8	5,811.2
A&G Capitalized	(1,025.8)	(1,025.8)	(1,025.8)	(1,025.8)	(1,025.8)	(1,025.8)	(1,025.8)	(1,025.8)	(1,025.8)	(1,025.8)	(1,025.8)	(1,025.8)	(12,310.0)
Wimette Outage	0	0	0	0	0	0	0	0	0	0	0	0	0
Corporate Postage	584.1	569.5	573.6	572.1	574.6	331.8	397.4	355.7	364.8	568.7	575.5	572.4	6,040.0
Total Selected Items	10,029.2	6,247.0	7,361.8	5,821.0	5,169.5	4,486.2	4,878.4	4,784.6	5,037.2	6,001.1	6,703.4	7,456.5	75,976.1
Total OO&M	\$20,985.5	\$19,278.3	\$18,775.1	\$17,253.4	\$17,048.2	\$16,368.6	\$16,043.1	\$16,229.0	\$16,626.0	\$18,887.8	\$17,741.7	\$19,063.4	\$214,300.0

NICOR GAS COMPANY
OO&M Budget
2004
(in thousands)

	January	February	March	April	May	June	July	August	September	October	November	December	Annual
OO&M without Selected Items													
Operations	\$1,060.1	\$940.5	\$976.9	\$929.2	\$989.1	\$893.9	\$928.6	\$965.7	\$1,012.0	\$1,107.6	\$940.8	\$1,167.0	\$11,911.3
Business Systems Support	41.9	58.2	52.4	44.6	65.0	41.7	42.7	42.2	45.2	42.5	42.2	45.4	564.0
Workload Administration	93.8	98.8	114.6	127.6	106.2	105.9	103.6	105.1	99.9	107.3	107.2	107.6	1,277.5
Dispatch - Central	189.3	189.2	189.2	191.1	189.2	189.2	189.2	189.2	189.2	189.2	189.3	189.4	2,273.0
Leak Survey	79.0	95.1	138.7	134.9	177.9	176.8	177.3	176.5	158.9	125.2	120.7	120.7	1,681.8
Locating	389.4	340.6	448.7	776.5	872.4	771.1	824.9	751.0	748.7	790.5	639.4	459.3	7,812.5
Meter Reading	436.0	391.0	408.6	433.2	426.7	415.9	452.1	431.5	413.5	438.1	403.5	397.7	5,047.6
Corrosion	256.3	286.1	366.5	351.0	370.5	382.7	350.4	309.4	296.8	297.1	297.3	260.8	3,824.9
Fleet Management & Safety	581.8	536.0	616.3	581.6	927.6	612.7	589.1	601.2	600.1	563.0	622.7	620.8	7,452.8
AVP Office of Customer Response	(405.7)	(379.7)	(417.6)	(404.8)	(571.1)	(408.8)	(408.8)	(407.1)	(414.7)	(391.9)	(418.7)	(418.5)	(5,047.4)
Customer Response Subtotal	2,721.8	2,556.0	2,894.3	3,165.0	3,553.5	3,181.0	3,249.1	3,164.8	3,149.5	3,268.7	2,944.5	2,950.0	36,798.1
Technical Training & Measurement	330.5	328.6	494.4	400.5	342.6	371.6	357.1	364.3	357.8	353.7	340.4	338.3	4,379.8
Engineering	344.2	218.0	220.1	140.7	186.9	134.6	131.5	136.6	135.2	127.7	130.0	139.8	2,045.2
AVP Supply Operations	738.7	653.0	695.4	652.6	804.0	661.8	653.8	579.7	575.5	569.4	558.9	581.7	7,724.5
Sr VP Operations Administration	7.8	6.8	19.6	(0.4)	21.4	33.1	5.5	22.0	23.2	6.7	6.0	18.7	170.4
Total SR VP Operations	4,142.9	3,762.4	4,323.8	4,358.5	4,908.5	4,382.1	4,396.9	4,267.3	4,241.1	4,326.2	3,979.8	4,028.5	51,118.1
System Operations	749.5	760.8	780.7	1,001.9	752.8	838.8	842.2	776.7	922.5	817.6	707.3	692.3	9,643.2
Distribution	1,011.6	984.1	1,128.1	1,170.1	1,214.1	1,180.6	1,163.0	1,187.5	1,126.7	1,173.6	1,049.2	1,080.8	13,469.6
NCAT	112.7	113.4	104.3	69.4	65.8	71.9	60.3	60.3	56.4	60.2	59.0	53.7	887.5
Ofc VP Distribution	(536.6)	(486.6)	(533.6)	(516.1)	(486.3)	(482.7)	(507.0)	(507.5)	(494.2)	(479.7)	(521.1)	(523.8)	(6,075.1)
Total VP Distribution	1,337.4	1,371.7	1,479.4	1,725.3	1,546.4	1,608.6	1,558.6	1,517.0	1,611.4	1,571.8	1,294.5	1,302.9	17,925.2
Sales & Marketing	254.5	238.7	265.5	257.7	249.9	257.7	257.7	250.3	250.3	242.5	250.3	258.0	3,032.9
CIS Call Center	741.3	624.6	803.2	756.3	813.5	752.7	758.8	687.0	668.4	662.2	609.5	627.4	8,504.9
Community Affairs	87.3	81.1	99.0	89.0	88.3	105.6	89.0	89.0	95.8	99.3	89.0	94.3	1,106.5
Credit Areas	461.2	690.8	656.4	484.9	488.0	689.7	592.1	587.9	560.6	545.5	470.4	483.8	6,711.3
Billing & Gas Transportation	478.8	310.9	342.6	317.7	301.2	315.7	281.5	281.0	271.3	306.0	323.5	317.4	3,847.6
Other Customer Care Departments	62.8	57.0	66.8	68.5	65.6	68.5	73.1	73.1	73.1	70.2	73.1	77.5	829.1
Total VP Sales & Customer Care	2,085.8	2,003.0	2,233.6	1,974.0	2,006.4	2,189.9	2,052.1	1,968.3	1,919.5	1,925.7	1,815.7	1,858.3	24,032.2
Facility Services	581.9	498.7	516.4	495.2	406.6	419.9	506.3	421.5	428.9	415.5	487.6	388.3	5,566.7
Labor Relations	61.7	57.6	63.6	56.6	54.6	56.6	56.6	56.6	59.3	70.6	56.6	60.2	710.7
Human Resources Administration	335.6	374.3	405.3	387.5	390.3	435.2	377.7	393.9	374.6	333.1	353.4	492.5	4,653.4
Corporate Communications	302.0	304.0	328.3	238.4	237.9	195.6	151.4	221.9	150.7	164.4	134.2	197.4	2,626.1
Corporate Memberships & Contributions	122.6	47.7	130.6	23.9	33.8	124.7	31.5	24.2	126.6	23.7	25.8	120.0	835.1
SVP Human Resources Administration	37.4	35.8	62.4	62.6	68.4	126.2	43.8	39.7	122.2	92.4	37.6	57.5	785.9
Total SR VP Human Resources & Customer Care	1,441.1	1,318.2	1,506.6	1,264.2	1,191.5	1,358.2	1,167.3	1,157.7	1,262.2	1,099.7	1,095.4	1,315.8	15,177.9
IS Dept. Administration	738.5	714.7	850.9	799.7	757.4	772.9	819.7	793.8	760.7	711.1	754.1	782.1	9,255.6
Voice & Data Operations	293.8	289.9	346.1	339.0	290.9	295.9	295.0	292.9	296.5	293.2	295.4	296.3	3,624.8
IS Asset Management	495.1	329.8	379.2	368.1	347.2	313.7	387.3	391.2	368.8	350.0	374.0	422.2	4,526.8
Total VP Information Services	1,527.4	1,334.4	1,576.2	1,506.9	1,395.5	1,382.5	1,502.0	1,477.9	1,425.9	1,354.3	1,423.6	1,500.7	17,407.1
Procurement	209.6	215.6	213.2	202.2	203.4	201.5	206.5	200.2	198.1	171.4	179.1	177.8	2,378.7
Accounting	259.3	228.6	367.5	286.9	283.1	283.1	301.1	382.1	312.7	358.8	281.9	372.6	3,717.7
Total VP & Controller	469.0	444.2	580.6	489.1	486.6	484.5	507.6	582.3	510.8	530.2	461.0	550.4	6,096.4
Real Estate	48.5	66.3	54.1	53.6	55.5	55.8	58.0	47.5	49.0	97.3	59.0	103.7	748.2
Rates & Money Management	105.1	176.5	98.8	90.9	96.9	107.6	104.6	101.6	94.1	86.9	118.1	140.1	1,321.1
Finance & Forecasting	33.4	28.9	42.2	33.2	31.6	38.3	36.2	33.2	38.0	34.2	32.8	40.6	422.8
Office of VP Administration	51.2	42.2	51.6	49.0	46.4	49.0	49.0	49.0	49.0	46.4	49.0	47.8	579.4
Total VP Administration & Treasurer	238.2	313.9	246.7	226.7	230.3	250.7	247.9	231.3	230.1	264.7	258.8	332.2	3,071.5
Claims Department	149.9	146.4	156.3	151.3	149.6	153.4	150.6	153.3	170.0	146.4	148.7	110.1	1,786.1
Legal Department	290.7	295.4	300.9	262.4	259.2	265.6	239.8	229.7	229.6	232.9	227.4	226.5	3,060.0
Office VP, General Counsel & Secretary Administration	8.2	7.5	10.4	9.6	7.9	9.8	10.0	8.5	8.6	8.7	8.4	9.4	107.0
Total VP, General Counsel & Secretary	448.8	449.3	467.6	423.3	416.7	428.8	400.3	391.5	408.3	387.9	384.5	346.0	4,953.1
Internal Auditing	95.9	87.2	101.6	102.8	97.5	101.3	88.7	90.3	88.4	80.5	83.4	87.3	1,104.8
Risk Management & Internal Controls' Support	59.3	48.7	59.8	53.9	56.0	78.6	70.3	54.9	57.2	52.4	57.5	54.3	702.7
Total Ex VP & Chief Risk Officer	155.2	135.9	161.5	156.6	153.4	179.9	159.0	145.1	145.6	132.9	140.9	141.6	1,807.5
Total Chairman	229.8	185.9	235.8	223.1	206.4	222.0	230.0	220.7	222.7	208.7	220.9	225.8	2,631.8
Total Ex VP & Chief Financial Officer	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	7.5
Total SR VP Diversified Ventures & Corp. Planning	93.7	40.7	47.2	55.7	45.1	46.5	87.7	76.7	66.7	73.2	46.9	80.4	760.6
Total President & CEO	55.4	60.4	71.3	65.4	58.2	57.0	69.9	77.9	56.2	73.6	60.9	61.1	767.3
Total OO&M without Selected Items	12,225.3	11,420.7	12,931.2	12,469.5	12,645.8	12,591.2	12,379.8	12,114.4	12,101.1	11,949.6	11,183.5	11,744.3	145,756.3

NICOR GAS COMPANY
OO&M Budget
2004
(in thousands)

	January	February	March	April	May	June	July	August	September	October	November	December	Annual
Selected Items													
PBR & Special Investigations	17.0	13.0	13.0	13.0	13.0	13.0	13.0	113.0	13.0	13.0	13.0	13.0	260.0
Benefit Plans	846.9	899.5	796.5	802.5	881.2	802.3	814.3	884.8	800.1	814.1	889.0	782.4	10,013.6
Software Expensed	52.0	54.0	55.0	60.0	60.0	59.0	59.0	64.0	66.0	66.0	65.6	52.0	712.6
Billed by Nicor	583.6	661.7	696.5	624.0	721.9	632.6	666.9	603.6	720.7	670.1	548.9	600.5	7,730.8
Payroll Additives	(515.1)	(485.0)	(527.4)	(526.7)	(515.7)	(529.1)	(527.6)	(525.0)	(527.1)	(502.8)	(513.1)	(521.2)	(6,216.0)
Cost of Services Rendered	68.5	176.6	169.1	97.2	206.1	103.5	139.3	78.5	193.6	167.3	35.7	79.3	1,514.8
Employee Benefit Insurance	888.1	888.1	888.1	888.1	888.1	888.1	924.4	924.4	924.4	924.4	924.4	1,584.4	11,535.4
Vacation Accrual	(43.0)	(43.0)	(43.0)	(43.0)	(43.0)	(43.0)	(43.0)	(43.0)	(43.0)	(43.0)	(43.0)	(43.0)	(516.0)
Future Health Care	1,350.4	1,350.4	1,350.4	1,350.4	1,350.4	1,350.4	1,350.4	1,350.4	1,350.4	1,350.4	1,350.4	1,350.6	16,205.0
Provision for Uncollectibles	5,904.7	4,770.8	3,450.8	2,359.7	1,337.9	915.3	944.8	817.7	889.1	1,545.4	2,374.5	3,459.1	28,770.0
Pension Provision	(302.7)	(302.7)	(302.4)	(282.7)	(302.7)	(302.4)	(302.7)	(302.7)	(158.4)	(302.7)	(302.7)	(281.3)	(3,445.7)
Franchise Gas	108.3	108.3	108.3	108.3	108.3	108.3	108.3	108.3	108.3	108.3	108.3	108.3	1,300.0
Company Use & Fuel Gas	1,975.0	1,850.0	1,450.0	880.0	775.0	470.0	425.0	510.0	710.0	875.0	765.0	715.0	11,400.0
Weather Insurance	0	0	0	0	0	0	0	0	0	0	0	0	0
Property & Casualty Insurance	634.1	634.1	634.1	634.1	634.1	634.1	683.0	660.0	660.0	628.5	656.8	657.3	7,750.0
A&G Capitalized	(1,005.0)	(1,004.9)	(1,004.8)	(1,005.9)	(1,005.9)	(1,004.8)	(1,005.9)	(1,005.9)	(1,004.8)	(1,005.9)	(1,005.8)	(1,005.1)	(12,065.0)
Wilmotte Outage	0	0	0	0	0	0	0	0	0	0	0	0	0
Corporate Postage	536.7	527.3	544.3	563.0	586.3	457.5	472.6	457.5	413.1	535.3	516.1	536.7	6,146.1
Total Selected Items	11,031.0	9,921.6	8,109.5	6,424.8	5,489.0	4,451.3	4,582.5	4,617.0	4,921.9	5,676.2	6,347.4	8,008.7	79,580.8
Total OO&M	\$23,256.3	\$21,342.2	\$21,040.6	\$18,894.3	\$18,134.7	\$17,042.5	\$16,962.3	\$16,731.4	\$17,023.0	\$17,625.8	\$17,530.9	\$19,752.9	\$225,337.1

NICOR GAS COMPANY
OO&M Budget
2005
(in thousands)

	January	February	March	April	May	June	July	August	September	October	November	December	Annual
OO&M without Selected Items													
Operations	\$1,097.2	\$973.1	\$1,010.3	\$960.7	\$1,022.7	\$923.5	\$960.7	\$997.9	\$1,047.6	\$1,146.9	\$973.1	\$1,208.9	\$12,322.6
Business Systems Support	53.3	55.5	61.8	67.5	62.0	62.0	60.8	64.2	62.6	59.4	59.6	85.9	754.4
Workload Administration	127.5	128.5	165.9	150.9	144.1	143.2	136.0	145.9	136.9	142.0	144.8	145.9	1,711.7
Dispatch - Central	188.6	182.3	210.5	196.7	203.5	206.8	199.4	215.8	204.5	196.6	204.5	203.9	2,413.0
Leak Survey	110.7	111.5	157.4	150.2	168.0	159.7	140.3	152.9	143.6	97.4	117.5	113.5	1,622.6
Locating	491.0	451.6	599.9	958.2	1,063.0	954.8	985.6	931.5	950.4	983.1	798.7	582.3	9,749.9
Meter Reading	461.2	415.7	454.7	452.2	468.5	445.6	478.4	473.0	429.2	467.9	421.6	430.2	5,398.2
Corrosion	242.0	281.5	386.1	383.6	400.4	395.6	387.0	333.6	327.7	319.6	292.1	247.4	3,976.4
Fleet Management & Safety	571.5	552.5	634.1	591.0	1,008.5	633.1	579.6	645.1	607.9	601.1	645.5	625.1	7,695.0
AVP Office of Customer Response	(417.3)	(404.5)	(448.3)	(426.4)	(630.1)	(435.7)	(419.8)	(446.8)	(434.5)	(428.8)	(447.2)	(433.9)	(5,373.4)
Customer Response Subtotal	2,925.6	2,747.6	3,232.2	3,484.5	3,910.5	3,488.6	3,487.9	3,513.2	3,475.8	3,585.0	3,210.2	3,209.2	40,270.4
Technical Training & Measurement	348.7	349.8	498.0	386.4	360.9	426.5	395.4	408.3	360.6	362.2	338.4	351.7	4,586.9
Engineering	156.7	193.8	365.8	162.5	177.6	189.5	142.8	157.4	148.3	144.6	149.5	152.3	2,140.9
AVP Supply Operations	740.1	695.3	710.3	670.1	849.2	684.8	651.4	645.1	603.1	676.1	573.2	579.7	8,078.4
Sr VP Operations Administration	70.3	70.0	79.5	63.3	88.2	91.4	88.5	87.3	84.2	70.0	70.3	82.1	925.1
Total SR VP Operations	4,241.4	4,056.6	4,885.8	4,766.8	5,386.4	4,880.8	4,745.9	4,811.3	4,672.0	4,838.0	4,341.5	4,375.1	56,001.7
System Operations	736.8	796.1	798.1	877.5	791.1	844.4	750.9	767.6	738.3	702.3	703.9	666.3	9,173.4
Distribution	1,126.4	1,114.7	1,243.9	1,230.3	1,274.9	1,275.0	1,261.6	1,285.0	1,226.1	1,218.8	1,137.5	1,145.2	14,539.5
NCAT	108.5	110.0	98.2	71.0	65.9	63.3	60.2	62.9	59.6	63.4	67.7	62.4	893.1
Ofc VP Distribution	(576.3)	(531.9)	(566.5)	(549.9)	(540.8)	(523.3)	(539.7)	(553.1)	(529.4)	(521.7)	(547.8)	(534.9)	(6,515.2)
Total VP Distribution	1,395.4	1,488.9	1,573.7	1,628.8	1,591.4	1,659.4	1,533.0	1,562.4	1,494.5	1,462.9	1,361.2	1,339.1	18,090.8
Sales & Marketing	240.1	219.3	258.8	237.6	252.9	247.9	270.1	259.7	236.9	246.6	249.9	255.4	2,975.4
CIS Call Center	678.2	674.4	762.0	724.3	741.3	724.1	716.2	752.7	731.2	727.4	693.2	681.1	8,606.1
Community Affairs	73.1	71.6	87.3	75.7	81.2	94.6	75.0	80.6	84.8	90.2	79.6	78.4	972.2
Credit Areas	481.1	736.2	679.7	511.4	537.4	746.6	627.6	641.2	629.2	554.9	496.1	495.6	7,137.0
Billing & Gas Transportation	496.4	350.0	483.8	325.7	323.2	300.2	293.1	305.8	288.0	319.6	338.1	326.9	4,151.0
Other Customer Care Departments	69.6	321.2	75.5	67.6	71.2	71.2	69.0	75.7	72.4	68.0	72.4	72.3	1,107.1
Total VP Sales & Customer Care	2,038.5	2,372.7	2,347.0	1,942.6	2,007.2	2,184.6	2,051.1	2,115.8	2,042.6	2,007.8	1,929.3	1,909.6	24,948.8
Facility Services	424.1	480.5	491.2	457.4	508.7	566.0	568.2	527.6	489.1	468.9	419.3	546.7	5,947.7
Labor Relations	56.7	56.0	65.0	59.8	62.4	62.9	60.0	64.3	62.4	60.4	61.9	62.8	736.7
Human Resources Administration	492.3	384.8	441.4	483.6	390.0	426.2	541.9	439.0	431.3	505.8	404.5	392.5	5,333.3
Corporate Communications	397.4	208.1	246.7	276.6	221.9	167.2	240.9	181.4	173.1	218.5	162.9	179.6	2,674.3
Corporate Memberships & Contributions	103.7	53.6	147.9	29.4	31.6	137.3	36.9	41.7	143.3	28.0	24.7	128.7	906.9
SVP Human Resources Administration	24.4	24.9	31.2	28.4	28.6	30.1	28.6	29.9	29.1	26.5	41.6	29.9	351.3
Total SR VP Human Resources & Customer Care	1,500.6	1,208.1	1,423.5	1,335.2	1,243.2	1,389.7	1,474.6	1,283.9	1,328.3	1,308.1	1,115.0	1,340.2	15,950.3
IS Dept. Administration	682.1	666.6	925.0	804.9	848.1	861.2	806.2	922.6	875.1	838.2	872.1	863.4	9,967.7
Voice & Data Operations	298.8	308.4	316.6	315.9	311.2	319.5	324.6	312.2	318.7	299.2	300.9	307.9	3,733.9
IS Asset Management	441.0	370.1	403.3	389.3	422.2	441.9	429.2	428.5	434.9	454.2	426.8	479.9	5,121.4
Total VP Information Services	1,422.0	1,345.1	1,644.9	1,510.2	1,581.5	1,622.6	1,562.1	1,663.3	1,628.8	1,591.6	1,599.9	1,651.2	18,823.1
Procurement	175.2	205.7	208.0	201.8	213.1	194.1	177.8	200.4	191.5	200.4	182.8	193.2	2,344.0
Accounting	267.6	341.6	315.8	268.3	316.7	330.8	422.1	298.3	339.0	436.8	300.7	366.9	4,004.5
Total VP & Controller	442.9	547.3	523.7	470.0	529.8	524.9	599.9	498.7	530.5	637.2	483.5	560.1	6,348.6
Real Estate	48.0	52.7	54.7	50.0	57.3	54.9	48.6	56.1	49.7	49.8	67.2	50.4	639.2
Rates & Money Management	86.6	109.8	101.7	122.7	93.9	124.1	91.3	120.4	99.2	91.6	116.6	116.4	1,274.4
Finance & Forecasting	37.4	35.0	48.9	87.5	39.4	44.7	40.6	41.3	44.4	40.1	39.0	45.4	543.6
Office of VP Administration	51.1	45.7	80.2	49.3	52.1	77.5	49.3	54.8	77.4	49.3	52.1	73.5	712.3
Total VP Administration & Treasurer	223.2	243.2	285.5	309.5	242.7	301.2	229.8	272.5	270.6	230.8	274.8	285.7	3,169.8
Claims Department	(27.3)	8.4	27.6	95.4	123.6	187.8	251.6	293.4	326.9	357.9	184.9	118.2	1,948.4
Legal Department	177.1	220.1	243.2	246.6	270.6	266.2	283.9	270.6	268.0	256.6	296.1	279.1	3,040.9
Office VP, General Counsel & Secretary Administration	7.5	8.0	10.0	11.5	7.9	10.5	11.8	9.4	9.4	8.6	8.9	8.9	112.4
Total VP, General Counsel & Secretary	157.3	236.5	280.7	353.5	402.1	464.4	547.3	573.4	604.2	626.1	449.9	406.3	5,101.7
Internal Auditing	81.9	86.5	101.3	96.1	104.2	105.4	101.6	110.7	107.5	94.7	98.5	90.1	1,178.5
Risk Management & Internal Controls' Support	24.3	18.7	34.5	19.7	28.7	27.2	29.1	24.9	34.6	23.6	27.9	55.5	348.7
Total Ex VP & Chief Risk Officer	106.2	105.2	135.8	115.8	132.9	132.6	130.7	135.6	142.0	118.3	126.5	145.6	1,527.2
Total Chairman	180.5	169.1	198.8	181.9	193.8	193.3	192.4	199.8	192.9	184.9	196.0	183.8	2,267.2
Total Ex VP & Chief Financial Officer	4.1	5.3	5.1	4.2	4.6	8.4	4.2	4.7	6.1	8.1	5.1	7.6	67.6
Total SR VP Diversified Ventures & Corp. Planning	69.9	79.2	85.6	76.1	83.8	59.9	88.4	73.9	89.1	85.9	95.8	86.5	974.2
Total President & CEO	56.4	56.2	74.0	70.2	66.4	73.9	74.1	86.6	75.9	80.6	72.3	62.6	849.2
Total OO&M without Selected Items	11,838.3	11,913.3	13,464.3	12,764.9	13,465.8	13,495.8	13,233.5	13,281.9	13,077.6	13,180.2	12,050.8	12,353.4	154,119.9

NICOR GAS COMPANY
OO&M Budget
2005
(in thousands)

	January	February	March	April	May	June	July	August	September	October	November	December	Annual
Selected Items													
PBR & Special Investigations	0	0	0	0	0	0	0	0	0	0	0	0	0
Benefit Plans	1,035.3	1,048.1	973.7	985.6	1,063.0	985.8	1,179.8	1,065.7	995.6	993.0	1,068.4	1,181.2	12,575.2
Software Expensed	139.7	143.2	155.1	138.2	139.2	153.1	134.7	135.2	149.1	134.2	134.2	151.1	1,706.9
Billed by Nicor	915.1	882.6	995.3	912.1	911.8	956.6	872.0	888.7	1,020.3	840.9	802.5	973.5	10,971.2
Payroll Additives	(596.2)	(580.4)	(635.7)	(604.7)	(621.2)	(620.3)	(609.8)	(639.8)	(626.3)	(609.7)	(622.3)	(622.0)	(7,388.4)
Cost of Services Rendered	318.8	302.2	359.6	307.4	290.6	336.2	262.2	248.9	394.0	231.2	180.2	351.4	3,582.6
Employee Benefit Insurance	1,089.9	1,089.9	1,091.4	1,091.4	1,091.4	1,091.5	1,169.0	1,169.0	1,169.0	1,169.0	1,169.0	1,169.0	13,569.0
Vacation Accrual	(18.3)	(18.3)	(18.3)	(18.3)	(18.3)	(18.3)	(18.3)	(18.3)	(18.3)	(18.3)	(18.3)	(18.3)	(219.7)
Future Health Care	1,349.1	1,349.1	1,349.1	1,349.1	1,349.1	1,349.1	1,349.1	1,349.1	1,349.1	1,349.1	1,349.1	1,349.1	16,189.0
Provision for Uncollectibles	5,551.5	4,409.7	3,785.2	2,256.1	1,329.9	946.7	941.1	928.7	926.6	1,660.4	3,131.8	4,487.8	30,355.4
Pension Provision	(392.0)	(392.0)	(391.5)	(372.0)	(392.0)	(391.5)	(392.0)	(392.0)	(226.5)	(392.0)	(392.0)	(371.5)	(4,497.0)
Franchise Gas	117.5	117.5	117.5	117.5	117.5	117.5	117.5	117.5	117.5	117.5	117.5	117.5	1,410.0
Company Use & Fuel Gas	2,332.5	2,230.9	1,785.5	1,078.6	936.1	567.2	509.1	619.6	855.8	1,051.9	921.5	852.3	13,740.9
Weather Insurance	0	0	0	0	0	0	0	0	0	0	0	0	0
Property & Casualty Insurance	666.2	666.2	666.2	666.2	666.2	666.2	710.8	685.8	685.8	685.8	664.8	665.9	8,096.0
A&G Capitalized	(1,084.2)	(1,088.5)	(1,107.0)	(1,088.1)	(1,114.3)	(1,105.8)	(1,176.8)	(1,147.3)	(1,144.1)	(1,128.4)	(1,126.4)	(1,162.8)	(13,473.7)
Wilmette Outage	0	0	0	0	0	0	0	0	0	0	0	0	0
Appliance Connector Notification	0	0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	1,500.0
Corporate Postage	545.0	535.6	552.8	571.7	595.4	464.7	480.0	464.7	419.6	543.7	524.2	545.0	6,242.4
Total Selected Items	11,651.0	10,393.5	9,469.2	7,233.2	6,203.7	5,312.3	5,416.1	5,376.5	5,823.2	6,546.9	7,873.9	9,467.9	90,767.3
Total OO&M	\$23,489.3	\$22,306.8	\$22,933.6	\$19,998.1	\$19,669.4	\$18,808.1	\$18,649.6	\$18,658.4	\$18,900.7	\$19,727.1	\$19,924.7	\$21,821.3	\$244,887.2

NICOR GAS COMPANY
Capital Budget
2002
(In thousands)

Description	January	February	March	April	May	June	July	August	September	October	November	December	Annual
New Business Services	\$759.7	\$763.1	\$672.5	\$575.6	\$689.1	\$939.6	\$591.6	\$935.8	\$1,045.2	\$1,179.1	\$1,014.2	\$1,100.4	\$10,266.0
New Business Main	468.9	1,007.4	1,040.7	525.7	699.7	820.3	702.2	951.1	1,312.5	830.6	1,480.3	1,640.6	11,480.0
Replacement Services	533.9	655.9	1,157.1	1,210.1	1,278.3	1,378.7	1,137.2	1,216.0	1,094.1	1,149.8	616.8	274.2	11,702.0
Replacement Main	126.4	184.8	344.1	613.1	706.1	931.7	913.2	905.1	830.7	334.6	318.1	83.4	6,291.0
Cross Ties	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
System Improvement - Main	149.6	137.9	291.2	418.6	539.5	560.6	378.3	291.8	400.0	403.0	414.5	115.1	4,100.0
Public Improvement - Main	390.6	542.0	972.0	1,334.7	1,317.4	1,413.4	1,431.1	1,397.5	1,385.4	1,197.8	919.7	698.8	13,000.0
Miscellaneous Revisions	0.0	107.0	167.0	218.0	243.0	120.0	243.0	218.0	243.0	218.0	118.0	105.0	2,000.0
Meters - Rate 74	13.7	14.0	14.2	14.2	14.5	14.2	14.2	14.2	14.3	14.5	14.2	14.2	170.0
Meters	625.7	274.7	276.2	292.4	291.4	292.4	259.1	258.1	259.5	356.4	357.5	356.4	3,900.0
Reimbursables	(58.2)	(81.4)	(114.2)	(91.5)	(137.4)	(142.5)	(91.5)	(86.5)	(96.6)	(147.0)	(128.9)	(124.3)	(1,300.0)
New Industrial Meters	64.6	42.6	46.9	20.9	20.1	24.3	22.0	28.9	40.9	76.7	73.1	69.0	530.1
Contributions Collected	(30.9)	(32.9)	(19.0)	(22.5)	(37.6)	(14.5)	(31.5)	(31.0)	(47.8)	(53.1)	(103.8)	(75.5)	(500.0)
Other New Business	10.2	38.6	28.5	24.9	15.3	18.7	17.9	23.4	24.0	37.6	38.4	47.5	325.0
Other Capital	104.7	136.8	131.8	146.8	111.2	125.5	121.8	135.4	120.6	140.6	125.6	99.2	1,500.0
Replacement Pressure Sets	66.2	70.7	74.4	76.4	103.2	127.0	122.5	125.6	81.1	83.3	84.4	85.0	1,100.0
Replacement Regulators	183.3	183.3	183.3	183.3	183.3	183.3	183.3	183.3	183.3	183.3	183.3	183.3	2,200.0
Estimated Services Removal Cost	89.5	121.2	137.1	131.0	152.6	156.4	129.9	142.5	130.1	123.6	108.3	73.6	1,495.8
Corrosion Activity	55.1	75.1	80.1	75.1	82.6	60.1	60.1	85.1	85.1	90.1	87.6	81.5	917.3
Total Distribution	3,553.1	4,240.9	5,483.8	5,746.8	6,272.1	7,009.2	6,204.3	6,794.4	7,161.1	6,163.0	5,721.3	4,827.3	69,177.2
Supply Operations Storage	61.5	172.3	628.5	615.5	538.5	811.0	769.5	345.0	890.0	228.0	455.0	827.7	6,342.4
Supply Operations Transmission - West & South	15.0	50.0	(14.4)	89.0	50.0	120.0	20.0	110.0	0.0	0.0	0.0	0.0	439.6
System Operations Transmission - Central	0.0	0.0	85.0	110.0	115.0	250.0	300.0	120.0	50.0	50.0	51.0	0.0	1,131.0
Total Storage & Transmission	76.5	222.3	699.1	814.5	703.5	1,181.0	1,089.5	575.0	940.0	278.0	506.0	827.7	7,913.0
Miscellaneous General Plant	76.6	215.1	199.6	233.8	117.7	182.8	79.0	95.6	115.2	82.5	112.5	91.2	1,601.5
Information Technologies	2,719.5	1,786.1	1,885.9	1,744.2	1,663.1	1,669.3	1,643.6	1,646.9	1,666.4	911.3	918.7	745.0	19,000.0
Land and Buildings	95.0	0.0	389.0	87.0	377.0	200.0	150.0	0.0	255.0	50.0	0.0	147.0	1,750.0
Fleet	30.0	150.0	500.0	500.0	1,500.0	1,502.5	1,005.0	1,005.0	1,000.0	502.5	550.0	355.0	8,600.0
Fleet Auction Proceeds	0.0	0.0	0.0	0.0	(195.7)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(195.7)
New Technologies	5.0	10.0	35.0	45.0	45.0	55.0	45.0	55.0	55.0	55.0	45.0	30.0	480.0
Total General Plant	2,926.1	2,161.2	3,009.5	2,610.0	3,507.1	3,609.6	2,922.6	2,802.5	3,091.6	1,601.3	1,626.2	1,368.2	31,235.8
Capitalized Fleet	385.9	430.2	418.3	402.1	516.9	483.0	387.3	405.3	423.9	389.7	429.2	435.2	5,107.1
Capitalized Fleet Depreciation	720.0	610.0	502.0	336.0	229.5	164.0	171.5	171.0	197.0	297.5	443.0	608.5	4,450.0
Stores Handling	120.2	113.0	112.4	122.9	107.9	115.0	108.6	110.1	112.6	108.0	112.6	111.7	1,355.1
Engineering Overheads - Regions	251.5	249.2	253.2	241.3	249.8	249.6	249.1	249.5	248.0	250.0	246.8	243.8	2,981.7
Engineering Overheads - G.O.	405.4	406.6	390.2	388.9	389.4	389.9	389.3	389.3	390.9	389.5	389.9	391.0	4,711.4
AFUDC	64.7	69.7	64.7	59.7	64.7	69.7	74.7	59.1	40.9	40.9	40.9	0.0	650.0
A & G	145.8	145.8	145.8	145.8	145.8	145.8	145.8	145.8	145.8	145.8	145.8	145.8	1,750.0
Pension	(275.0)	(275.0)	(275.0)	(275.0)	(275.0)	(275.0)	(275.0)	(275.0)	(275.0)	(275.0)	(275.0)	(275.0)	(3,300.0)
Employee Insurance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Future Health Care	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Benefits	691.7	691.7	691.7	691.7	691.7	691.7	691.7	691.7	691.7	691.7	691.7	691.7	8,300.0
Payroll Taxes	219.9	219.9	219.9	219.9	219.9	219.9	219.9	219.9	219.9	219.9	219.9	219.9	2,638.4
Indirect Departmental Expenses (IDE)	906.3	860.6	908.5	872.5	1,033.6	931.4	928.8	983.8	1,042.4	1,057.3	1,031.5	1,021.9	11,578.5
Capitalized Facilities (Buildings & Grounds)	194.2	195.6	194.2	180.3	174.6	178.1	176.9	175.6	176.3	178.1	182.5	171.9	2,178.1
Total Overheads	3,830.5	3,717.3	3,625.9	3,386.1	3,548.7	3,364.1	3,268.5	3,326.1	3,414.4	3,493.4	3,658.6	3,766.5	42,400.3
Outages	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	10,386.2	10,341.6	12,818.3	12,557.4	14,031.4	15,163.9	13,484.9	13,498.0	14,607.1	11,535.8	11,512.1	10,789.6	150,726.4
Contingency	0.0	0.0	0.0	0.0	0.0	0.0	(621.1)	(621.1)	(621.1)	(621.1)	(621.1)	(621.1)	(3,726.4)
	10,386.2	10,341.6	12,818.3	12,557.4	14,031.4	15,163.9	12,863.9	12,876.9	13,986.0	10,914.7	10,891.0	10,168.6	147,000.0
Revenue Generating	21.6	115.5	260.7	1,860.1	1,122.5	3,390.0	3,052.7	4,545.1	4,581.7	3,096.8	3,074.8	3,813.5	28,935.0
Cost Savings - Sycamore	0.0	0.0	3,900.0	260.0	455.0	455.0	130.0	0.0	0.0	0.0	0.0	0.0	5,200.0
Total 2002 Capital Expenditures	\$10,407.8	\$10,457.1	\$16,979.1	\$14,677.5	\$15,608.9	\$19,008.9	\$16,046.6	\$17,422.0	\$18,567.7	\$14,011.6	\$13,965.8	\$13,982.0	\$181,135.0

NICOR GAS COMPANY
Capital Budget
2003
(in thousands)

Description	January	February	March	April	May	June	July	August	September	October	November	December	Annual
New Business Services	\$975.3	\$721.1	\$582.4	\$609.6	\$658.1	\$660.2	\$793.3	\$839.2	\$945.3	\$1,303.9	\$1,030.0	\$983.5	\$10,102.0
New Business Main	836.8	832.8	900.2	714.6	616.0	846.8	799.9	811.4	931.1	992.4	983.2	1,034.8	10,300.0
Replacement Services	507.1	482.4	495.3	904.0	789.7	687.7	750.9	679.5	849.7	1,182.7	1,064.1	1,091.0	9,484.0
Replacement Main	234.0	288.0	195.1	340.6	322.7	553.0	352.4	462.0	433.3	579.1	606.6	473.3	4,840.0
Cross Ties	68.8	90.5	92.8	99.8	104.8	109.2	118.5	89.5	72.5	62.5	30.3	23.0	962.0
System Improvement - Main	250.0	50.0	100.0	200.0	300.0	300.0	500.0	500.0	500.0	500.0	500.0	300.0	4,000.0
Public Improvement - Main	533.5	618.0	1,096.1	1,539.1	979.3	817.2	947.1	667.5	772.8	968.2	795.2	766.1	10,500.0
Miscellaneous Revisions	0.0	74.0	156.0	168.0	247.0	207.0	197.0	203.0	173.0	167.0	109.0	99.0	1,800.0
Meters - Rate 74	13.4	11.7	14.1	11.7	20.1	20.8	18.0	17.0	20.0	23.9	14.5	14.7	200.0
Meters	553.2	353.1	446.6	295.5	292.5	246.9	209.2	235.4	357.5	298.0	195.2	217.0	3,700.0
Reimbursables	(107.0)	(129.7)	(231.1)	(67.2)	(91.3)	(137.4)	(189.4)	(274.1)	(430.2)	(221.7)	(164.4)	(156.5)	(2,200.0)
New Industrial Meters	103.0	35.7	30.8	15.9	18.1	14.2	20.1	28.9	30.7	76.3	58.4	67.9	500.0
Contributions Collected	0.0	(17.6)	75.4	0.0	0.0	0.6	0.0	0.0	(237.7)	61.9	0.0	(382.5)	(500.0)
Other New Business	20.4	23.8	26.3	20.6	18.9	20.6	15.5	36.9	21.9	32.7	32.9	29.6	300.0
Other Capital	75.7	78.0	88.0	172.0	165.7	150.9	149.0	149.7	88.3	132.5	111.8	138.2	1,500.0
Replacement Pressure Sets	73.2	70.5	80.8	79.2	86.4	80.0	80.6	85.6	96.7	131.5	129.9	105.5	1,100.0
Replacement Regulators	67.3	82.9	124.2	124.2	149.8	149.8	134.2	134.2	118.5	98.5	98.5	92.9	1,375.0
Estimated Services Removal Cost	79.8	76.8	91.8	109.2	121.1	108.9	112.6	111.0	107.5	137.4	137.6	206.4	1,400.0
Corrosion Activity	43.6	43.6	43.6	43.6	43.6	78.6	92.6	57.6	43.6	43.6	43.6	43.6	621.0
Total Distribution	4,327.9	3,785.6	4,408.4	5,380.1	4,842.6	4,915.0	5,101.4	4,834.4	4,894.5	6,570.3	5,776.3	5,147.4	59,984.0
Supply Operations Storage	37.7	169.1	417.4	668.6	957.6	2,959.4	2,253.1	1,678.4	690.6	700.9	290.3	376.8	11,200.0
Supply Operations Transmission - West & South	0.0	3.0	4.0	34.0	53.0	86.0	60.0	45.0	10.0	2.0	3.0	0.0	300.0
System Operations Transmission - Central	15.0	70.0	125.0	141.0	170.0	145.0	159.0	200.0	160.0	220.0	220.0	125.0	1,750.0
Total Storage & Transmission	52.7	242.1	546.4	843.6	1,180.6	3,190.4	2,472.1	1,923.4	860.6	922.9	513.3	501.8	13,250.0
Miscellaneous General Plant	79.5	36.8	100.9	239.5	104.1	133.9	90.7	53.9	101.4	102.5	126.6	130.3	1,300.0
Information Technologies	1,206.4	1,172.7	2,097.3	1,304.6	1,409.1	2,366.5	1,386.7	1,466.7	2,419.3	1,516.6	1,515.8	1,538.2	19,400.0
Land and Buildings	0.0	85.0	192.0	535.0	500.0	725.0	185.0	270.0	96.0	50.0	0.0	0.0	2,638.0
Fleet	2.0	110.0	1,031.0	2,358.0	1,252.0	850.0	457.0	778.2	362.5	299.3	100.0	100.0	7,700.0
Fleet Auction Proceeds	0.0	0.0	0.0	0.0	(200.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(200.0)
New Technologies	5.0	10.0	30.0	30.0	25.0	30.0	35.0	35.0	25.0	35.0	35.0	30.0	325.0
Total General Plant	1,292.8	1,414.6	3,451.2	4,467.1	3,090.2	4,105.4	2,239.4	2,518.8	3,004.3	2,003.4	1,777.4	1,798.6	31,163.0
Capitalized Fleet	382.4	332.1	352.7	369.7	498.0	388.4	388.4	354.1	370.5	395.0	351.5	387.3	4,570.0
Capitalized Fleet Depreciation	629.4	533.2	438.8	293.7	200.6	143.4	149.9	149.5	172.2	260.1	387.3	531.9	3,890.0
Stores Handling	120.4	122.6	132.2	129.8	124.4	134.9	130.4	131.3	129.3	124.9	124.4	135.3	1,540.0
Engineering Overheads - Regions	177.5	160.9	174.3	175.6	184.9	174.6	171.8	197.0	164.7	260.6	249.6	263.5	2,355.0
Engineering Overheads - G.O.	386.0	377.5	432.9	384.5	384.1	433.2	387.1	381.7	436.0	387.8	378.3	450.8	4,820.0
AFUDC	24.9	26.8	24.9	23.0	24.9	26.8	28.7	22.7	15.7	15.7	15.7	0.0	250.0
A & G	175.0	175.0	175.0	175.0	175.0	175.0	175.0	175.0	175.0	175.0	175.0	175.0	2,100.0
Pension	(16.7)	(16.7)	(16.7)	(16.7)	(16.7)	(16.7)	(16.7)	(16.7)	(16.7)	(16.7)	(16.7)	(16.7)	(200.0)
Employee Insurance	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	3,000.0
Future Health Care	441.7	441.7	441.7	441.7	441.7	441.7	441.7	441.7	441.7	441.7	441.7	441.7	5,300.0
Other Benefits	191.7	191.7	191.7	191.7	191.7	191.7	191.7	191.7	191.7	191.7	191.7	191.7	2,300.0
Payroll Taxes	341.1	294.4	280.4	230.3	253.1	196.0	223.7	232.0	186.9	238.8	173.9	249.6	2,900.0
Indirect Departmental Expenses (IDE)	876.9	796.9	888.6	854.2	922.3	891.6	867.6	931.1	855.9	1,128.5	1,000.3	1,011.0	11,025.0
Capitalized Facilities (Buildings & Grounds)	294.1	280.5	277.5	258.8	253.6	243.6	246.0	238.6	245.8	283.8	291.3	291.5	3,205.0
Total Overheads	4,274.4	3,966.7	4,043.9	3,761.3	3,887.6	3,674.1	3,635.2	3,679.8	3,618.7	4,136.9	4,014.0	4,362.5	47,055.0
Outages	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	9,947.8	9,408.9	12,449.9	14,452.2	13,001.0	15,884.9	13,448.1	12,956.3	12,378.1	13,633.5	12,081.0	11,810.3	151,452.0
Contingency	500.0	500.0	500.0	166.7	166.7	166.7	166.7	166.7	166.7	166.7	166.7	166.7	3,000.0
	10,447.8	9,908.9	12,949.9	14,618.8	13,167.6	16,051.6	13,614.8	13,123.0	12,544.7	13,800.1	12,247.7	11,976.9	154,452.0
Revenue Generating	200.0	200.0	510.0	440.0	440.0	430.0	600.0	460.0	370.0	370.0	420.0	250.0	4,690.0
Cost Savings - Sycamore	0.0	120.0	190.0	190.0	190.0	140.0	70.0	0.0	0.0	0.0	0.0	0.0	900.0
Total 2003 Capital Expenditures	\$10,647.8	\$10,228.9	\$13,649.9	\$15,248.8	\$13,797.6	\$16,621.6	\$14,284.8	\$13,583.0	\$12,914.7	\$14,170.1	\$12,667.7	\$12,226.9	\$160,042.0

NICOR GAS COMPANY
Capital Budget
2004
(in thousands)

Description	January	February	March	April	May	June	July	August	September	October	November	December	Annual
New Business Services	\$613.6	\$613.6	\$691.7	\$783.6	\$775.6	\$775.6	\$967.6	\$1,159.6	\$1,076.6	\$979.3	\$817.5	\$615.7	\$9,870.0
New Business Main	552.2	552.8	595.5	633.6	729.2	874.7	920.3	1,015.8	1,161.4	932.6	739.0	692.8	9,400.0
Replacement Services	396.7	498.7	706.3	1,053.7	905.0	767.8	733.1	908.1	921.5	981.1	789.5	516.5	9,178.0
Replacement Main	150.6	199.8	162.3	389.4	398.4	521.0	443.9	540.9	509.4	416.6	380.7	272.1	4,385.0
Cross Ties	76.2	76.5	76.5	82.3	92.8	86.8	76.8	64.4	55.2	70.2	72.1	57.1	887.0
System Improvement - Main	302.3	299.7	2,734.1	1,104.1	1,493.5	1,260.2	1,594.1	1,469.4	188.9	597.3	577.2	489.1	12,110.0
Public Improvement - Main	555.2	875.3	1,274.4	1,660.0	1,017.6	1,318.9	974.0	1,125.7	914.9	1,212.8	1,008.9	862.3	12,800.0
Miscellaneous Revisions	15.8	134.2	132.2	273.3	271.1	331.3	254.6	202.5	75.4	61.7	29.9	18.2	1,800.0
Meters - Rate 74	19.8	20.1	26.9	21.5	26.1	31.1	27.1	29.0	28.0	26.6	29.6	24.4	310.0
Meters	520.9	433.6	375.6	410.7	393.5	332.7	329.9	388.6	405.9	294.4	411.9	302.2	4,600.0
Reimbursables	(243.7)	(104.8)	(233.0)	(74.8)	(77.1)	(123.6)	(192.8)	(248.8)	(412.3)	(209.6)	(149.5)	(130.0)	(2,200.0)
New Industrial Meters	40.8	40.8	40.8	40.8	40.8	40.8	40.8	40.8	40.8	40.8	45.9	45.9	500.0
Contributions Collected	(41.7)	(41.7)	(41.7)	(41.7)	(41.7)	(41.7)	(41.7)	(41.7)	(41.7)	(41.7)	(41.7)	(41.7)	(500.0)
Other New Business	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	300.0
Other Capital	91.8	93.8	100.0	235.0	150.6	155.6	151.7	153.7	138.5	143.2	93.9	92.3	1,600.0
Replacement Pressure Sets	72.8	77.1	72.7	79.8	87.1	82.2	88.8	89.7	104.3	127.5	115.4	102.7	1,100.0
Replacement Regulators	115.9	115.9	133.1	148.8	164.5	170.4	170.4	148.8	117.5	117.5	133.1	133.1	1,669.0
Estimated Services Removal Cost	72.9	79.2	84.2	111.9	104.9	102.1	108.3	111.6	122.0	98.6	124.3	80.0	1,200.0
Corrosion Activity	15.9	38.5	43.2	64.8	49.2	106.2	48.0	34.8	42.0	31.8	76.2	70.4	621.0
Total Distribution	3,352.9	4,028.1	6,999.9	7,001.7	6,606.1	6,817.0	6,719.8	7,218.0	5,473.3	5,905.8	5,279.1	4,226.1	69,630.0
Supply Operations Storage	435.0	640.0	637.0	685.0	728.0	913.0	885.0	920.0	865.0	255.0	185.0	267.0	7,415.0
Supply Operations Transmission - West & South	0.0	0.0	0.0	50.0	90.0	70.0	35.0	10.0	20.0	5.0	5.0	0.0	285.0
System Operations Transmission - Central	0.0	100.0	103.7	203.7	275.2	280.1	280.1	191.6	205.2	63.7	3.7	0.0	1,707.0
Total Storage & Transmission	435.0	740.0	740.7	938.7	1,093.2	1,263.1	1,200.1	1,121.6	1,090.2	323.7	193.7	267.0	9,407.0
Miscellaneous General Plant	105.5	114.3	154.9	251.0	152.3	140.4	164.4	91.9	76.5	56.5	72.6	33.2	1,413.4
Information Technologies	1,542.5	1,584.1	2,844.5	1,653.5	1,653.0	2,784.0	1,555.5	1,508.5	2,673.6	1,491.6	1,359.6	2,349.6	23,000.0
Land and Buildings	135.0	64.0	216.0	625.0	303.0	713.0	85.0	35.0	137.0	20.0	11.0	76.0	2,420.0
Fleet	26.0	328.0	476.0	848.0	2,125.0	1,380.0	611.0	521.0	351.0	282.0	242.0	0.0	7,190.0
Fleet Auction Proceeds	0.5	14.5	1.0	1.0	(174.0)	0.0	0.0	0.0	0.0	(43.0)	0.0	0.0	(200.0)
New Technologies	10.0	10.0	35.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	35.0	30.0	400.0
Total General Plant	1,819.5	2,114.9	3,727.4	3,418.5	4,099.3	5,057.4	2,455.9	2,196.4	3,278.1	1,847.1	1,720.2	2,488.9	34,223.4
Capitalized Fleet	383.1	348.3	388.1	373.7	533.9	373.1	372.3	368.1	380.8	364.1	392.9	380.7	4,659.0
Capitalized Fleet Depreciation	325.0	325.0	325.0	325.0	325.0	325.0	325.0	325.0	325.0	325.0	325.0	325.0	3,900.0
Stores Handling	117.1	100.3	113.6	116.3	112.7	108.0	111.6	111.7	108.1	106.0	115.9	141.2	1,362.5
Engineering Overheads - Regions	209.9	193.7	219.3	207.0	202.1	212.7	211.6	201.5	207.6	195.9	211.3	221.5	2,494.4
Engineering Overheads - G.O.	409.5	398.5	418.2	412.4	406.9	412.5	412.5	412.6	412.6	409.9	415.6	419.8	4,940.8
AFUDC	45.0	45.0	46.0	46.0	46.0	46.0	46.0	46.0	46.0	46.0	46.0	46.0	550.0
A & G	175.4	175.4	174.3	175.4	175.4	174.3	175.4	175.4	174.3	175.4	175.3	174.0	2,100.0
Pension	(90.8)	(90.8)	(90.8)	(90.8)	(90.8)	(90.8)	(90.8)	(90.8)	(90.8)	(90.8)	(90.8)	(90.7)	(1,089.5)
Employee Insurance	262.5	262.5	262.5	262.5	262.5	262.5	262.5	262.5	262.5	262.5	262.5	262.5	3,150.0
Future Health Care	391.6	391.6	391.6	391.6	391.6	391.6	391.6	391.6	391.6	391.6	391.6	391.6	4,699.5
Other Benefits	183.3	183.3	183.3	183.3	183.3	183.3	183.3	183.3	183.3	183.3	183.3	183.7	2,200.0
Payroll Taxes	259.0	259.0	258.0	259.0	259.0	258.0	259.0	258.0	259.0	259.0	259.0	254.0	3,100.0
Indirect Departmental Expenses (IDE)	1,058.0	993.9	1,115.7	1,065.1	1,038.0	1,070.8	1,063.5	1,075.0	1,060.1	1,041.1	1,099.5	1,116.8	12,797.4
Capitalized Facilities (Buildings & Grounds)	313.8	284.9	295.2	286.4	254.6	260.6	288.2	258.6	262.4	256.5	282.9	311.0	3,355.0
Total Overheads	4,042.5	3,870.5	4,100.1	4,012.9	4,100.2	3,987.5	4,011.8	3,979.6	3,981.5	3,925.5	4,070.0	4,137.1	48,219.0
Outages	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	9,649.9	10,753.5	15,568.0	15,371.7	15,898.8	17,125.0	14,387.6	14,515.6	13,823.2	12,002.0	11,262.9	11,121.1	161,479.4
Contingency	400.0	400.0	400.0	400.0	400.0	400.0	400.0	400.0	400.0	400.0	400.0	420.6	4,820.6
	10,049.9	11,153.5	15,968.0	15,771.7	16,298.8	17,525.0	14,787.6	14,915.6	14,223.2	12,402.0	11,662.9	11,541.7	166,300.0
Revenue Generating	30.0	150.0	200.0	1,150.0	0.0	300.0	300.0	0.0	400.0	1,170.0	0.0	0.0	3,700.0
Cost Savings - Sycamore	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total 2004 Capital Expenditures	\$10,079.9	\$11,303.5	\$16,168.0	\$16,921.7	\$16,298.8	\$17,825.0	\$15,087.6	\$14,915.6	\$14,623.2	\$13,572.0	\$11,662.9	\$11,541.7	\$170,000.0

NICOR GAS COMPANY
Capital Budget
2005
(in thousands)

Description	January	February	March	April	May	June	July	August	September	October	November	December	Annual
New Business Services	\$748.6	\$741.5	\$959.6	\$969.8	\$1,098.7	\$1,083.4	\$1,208.7	\$1,203.5	\$1,196.7	\$1,211.9	\$1,049.0	\$1,081.5	\$12,552.9
New Business Main	886.4	738.7	835.3	968.9	1,076.5	1,082.1	1,240.9	1,234.2	1,204.2	1,200.9	1,052.8	1,273.1	12,794.0
Replacement Services	504.8	544.8	708.1	1,004.7	1,032.9	1,063.0	1,055.0	1,198.1	1,248.5	1,260.8	1,017.3	799.2	11,437.2
Replacement Main	177.6	246.0	226.4	490.7	456.2	660.4	549.3	695.6	668.6	545.7	373.6	269.8	5,359.7
Cross Ties	123.1	125.0	124.1	129.9	125.8	128.3	125.7	127.0	130.3	146.4	128.1	126.5	1,540.4
System Improvement - Main	163.1	163.2	223.3	305.7	229.0	487.1	1,557.8	609.7	891.0	1,304.6	433.3	774.2	7,142.0
Public Improvement - Main	566.3	1,071.0	1,700.2	2,166.6	1,267.6	1,547.4	1,381.0	1,327.1	1,449.3	1,649.5	1,316.2	1,235.8	16,678.0
Miscellaneous Revisions	11.7	146.7	144.7	285.0	338.7	347.4	362.3	147.6	163.6	147.7	100.7	88.1	2,284.0
Meters - Rate 74	5.4	11.2	18.1	11.8	12.4	12.8	14.0	12.4	13.2	18.4	12.2	8.3	150.0
Meters	429.8	514.7	716.7	480.0	377.2	438.4	507.6	424.3	384.4	422.5	340.2	241.2	5,277.0
Reimbursables	(211.1)	(102.8)	(412.4)	(198.9)	0.0	(258.9)	(134.7)	(63.1)	(127.1)	(202.2)	(272.0)	(262.2)	(2,245.4)
New Industrial Meters	31.8	30.8	39.4	39.4	39.4	39.4	39.4	41.4	41.4	41.4	64.1	67.1	515.3
Contributions Collected	(41.7)	(41.7)	(41.7)	(41.7)	(41.7)	(41.7)	(41.7)	(41.7)	(41.7)	(41.7)	(41.7)	(41.7)	(500.0)
Other New Business	24.2	24.2	46.6	25.6	15.7	36.7	16.1	37.1	16.1	15.2	36.2	309.9	309.9
Other Capital	79.1	84.2	88.5	153.3	241.7	242.5	240.1	231.9	208.0	106.4	103.3	140.9	1,920.0
Replacement Pressure Sets	79.3	82.4	77.3	84.7	91.8	87.2	94.9	90.6	101.1	124.4	112.3	101.3	1,127.1
Replacement Regulators	160.4	160.1	162.1	164.7	165.3	175.0	67.2	59.9	59.3	59.9	59.3	59.3	1,352.3
Estimated Services Removal Cost	68.5	78.6	85.8	118.9	112.3	108.9	116.9	105.8	125.2	86.6	115.5	91.7	1,214.7
Corrosion Activity	23.4	39.5	41.3	61.9	47.0	101.5	45.9	33.2	40.1	40.5	89.8	75.1	639.2
Total Distribution	3,830.8	4,658.3	5,743.3	7,220.9	6,686.4	7,340.8	8,446.5	7,453.8	7,793.3	8,139.9	6,069.2	6,165.5	79,548.5
Supply Operations Storage	605.0	770.0	400.0	2,700.0	1,170.0	3,220.0	1,800.0	1,600.0	1,200.0	1,535.0	1,325.0	1,100.0	17,425.0
Supply Operations Transmission - West & South	0.0	0.0	100.0	0.0	50.0	50.0	75.0	0.0	0.0	0.0	0.0	0.0	275.0
System Operations Transmission - Central	44.8	79.8	166.4	246.4	257.1	277.4	184.2	174.5	134.0	119.7	6.4	3.2	1,694.0
Total Storage & Transmission	649.8	849.8	666.4	2,946.4	1,477.1	3,547.4	2,059.2	1,774.5	1,334.0	1,654.7	1,331.4	1,103.2	19,394.0
Miscellaneous General Plant	66.9	56.9	115.2	86.6	94.8	162.6	122.3	91.6	128.4	88.5	86.9	345.6	1,446.0
Information Technologies	1,228.2	1,278.2	2,772.0	5,287.2	1,442.2	2,818.0	1,114.7	1,289.7	2,705.5	1,088.7	1,274.7	2,700.5	25,000.0
Land and Buildings	66.0	79.0	275.0	273.0	315.0	295.0	280.0	4,235.0	610.0	890.0	780.0	8,273.0	8,273.0
Fleet	30.0	0.0	619.0	1,628.0	1,371.5	1,048.4	978.0	965.0	606.0	412.9	260.0	81.0	7,999.8
Fleet Auction Proceeds	16.3	2.0	2.5	2.5	(154.6)	1.5	1.5	2.0	2.5	(129.2)	1.5	1.5	(250.0)
New Technologies	10.0	20.0	40.0	45.0	50.0	45.0	55.0	45.0	55.0	45.0	50.0	40.0	500.0
Total General Plant	1,417.4	1,436.1	3,823.7	7,322.3	3,118.9	4,370.5	2,551.5	2,568.3	7,732.4	2,116.0	2,563.1	3,948.6	42,968.8
Capitalized Fleet	394.7	371.4	414.1	392.8	591.5	396.8	381.4	408.0	398.3	399.0	420.3	397.6	4,965.9
Capitalized Fleet Depreciation	325.0	325.0	325.0	325.0	325.0	325.0	325.0	325.0	325.0	325.0	325.0	325.0	3,900.0
Stores Handling	107.8	103.4	121.9	110.9	114.9	105.9	113.4	116.5	109.6	109.2	116.5	117.6	1,347.8
Engineering Overheads - Regions	212.1	206.3	235.8	213.9	225.8	229.5	215.6	226.0	223.0	215.5	226.7	231.5	2,660.6
Engineering Overheads - G.O.	448.1	442.9	462.2	450.0	457.3	456.6	450.7	462.1	455.7	451.5	456.4	454.8	5,448.3
AFUDC	40.0	40.0	40.0	45.0	45.0	50.0	55.0	55.0	60.0	80.0	90.0	100.0	700.0
A & G	178.4	186.2	211.0	209.5	234.2	234.5	232.1	243.9	241.5	225.1	224.9	206.6	2,627.9
Pension	(144.0)	(144.0)	(144.0)	(144.0)	(144.0)	(144.0)	(144.0)	(144.0)	(144.0)	(144.0)	(144.0)	(144.0)	(1,727.9)
Employee Insurance	315.9	315.9	316.3	316.3	316.3	316.3	340.0	340.0	340.0	340.0	340.0	340.0	3,937.2
Future Health Care	391.2	391.2	391.2	391.2	391.2	391.2	391.2	391.2	391.2	391.2	391.2	391.2	4,694.8
Other Benefits	231.3	230.0	232.8	230.6	235.1	234.2	285.2	241.5	235.6	231.9	232.9	288.9	2,909.8
Payroll Taxes	263.2	251.2	282.5	272.7	283.7	280.6	276.8	291.4	283.5	282.5	270.9	271.7	3,310.8
Indirect Departmental Expenses (IDE)	1,158.3	1,117.8	1,234.5	1,175.8	1,192.3	1,193.5	1,170.1	1,211.9	1,178.0	1,171.6	1,193.6	1,199.1	14,196.6
Capitalized Facilities (Buildings & Grounds)	295.6	311.9	302.3	282.2	294.1	310.2	308.9	297.3	286.4	282.8	264.1	308.6	3,544.4
Total Overheads	4,217.5	4,148.2	4,425.7	4,271.9	4,562.4	4,380.4	4,401.6	4,466.0	4,383.9	4,361.4	4,408.6	4,488.7	52,516.1
Outages	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	10,115.6	11,092.4	14,659.1	21,761.5	15,844.8	19,639.0	17,458.8	16,262.6	21,243.5	16,271.9	14,372.3	15,706.0	194,427.5
Contingency	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	10,115.6	11,092.4	14,659.1	21,761.5	15,844.8	19,639.0	17,458.8	16,262.6	21,243.5	16,271.9	14,372.3	15,706.0	194,427.5
Revenue Generating	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	300.0
Cost Savings - Sycamore	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total 2005 Capital Expenditures	\$10,140.6	\$11,117.4	\$14,684.1	\$21,786.5	\$15,869.8	\$19,664.0	\$17,483.8	\$16,287.6	\$21,268.5	\$16,296.9	\$14,397.3	\$15,731.0	\$194,727.5

2005 Budget Process Documentation

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Purpose

The purpose of this document is to provide a summary of the overall general process used in the development of the Nicor Gas and Nicor Inc. 2005 budgets as well as a more specific outline of the process utilized by each of the Budget Analysts for their areas. It also serves to outline the responsibilities of the Management Accounting department in coordinating the 2005 budget process.

Summary of Budget Process Flow

- The Human Resources area provides the corporate merit assumptions to be utilized for the budgeting process to Management Accounting. The hourly merit increase is based on the labor contract that is currently in effect.
- The Finance area provides the corporate inflation assumptions to be utilized for the budgeting process to Management Accounting. These assumptions are based on discussions with economists and information obtained from the U.S. Economic Data Service.
- Management Accounting and the Budget Analysts provide current actuals & budget information as well as the assumptions to be utilized for the budget process to the business units.
- A template for the proposed budget and budget presentations is provided to the business units by Management Accounting.
- The business units analyze current actuals & budget to develop proposed budgets for the coming fiscal year.
- For the proposed capital budget presentations, the dollars are identified as either base and project dollars. Base dollars are the funds required annually in order to maintain system integrity. Project dollars are requested funds for projects of a non-recurring nature.
- The officer for each business unit reviews and approves the proposed budget for their area.
- The business units submit proposed budgets to Management Accounting for consolidation.
- Management Accounting consolidates the business unit proposals.
- Management Accounting submits the consolidated budget to the Earnings Review Committee (ERC) and Capital Management Team (CMT).
- ERC & CMT review the proposed budgets and budget presentations, request additional information on assumptions in the budget, set direction for the budgeting process and propose changes to the budget submitted.
- Management Accounting works with the business units to provide the information requested by the ERC & CMT, and make changes proposed by ERC & CMT.
- Management Accounting submits the revised budgets to ERC & CMT for their review & approval.
- ERC & CMT review the revised budget & determine if additional information or changes are required.
- If the ERC or CMT decide that the budget requires further changes, it is sent back to Management Accounting for revision.
- Following preliminary approval by the Chairman of ERC and CMT, Management Accounting and the business units take the annualized budgets and break them down by month.
- Each officer reviews and approves the monthly breakdown for their area.

- The Budget Analysts upload the monthly budget into Essbase.
- Management Accounting imports the monthly budget into the Lawson AC system and verifies agreement with the approved annual budgets.
- Following approval by ERC and CMT, the proposed budgets are submitted for review and approval to the Financial Policy Committee (FPC).
- FPC reviews the proposed budgets; may request additional information on the assumptions, and may propose changes to the budget.
- Management Accounting works with business units to provide the information requested by FPC and makes the appropriate changes.
- Management Accounting submits the revised budget to FPC.
- If the FPC decides that the budget requires further changes, it is sent back to Management accounting for revision.
- Following approval by the FPC, Management Accounting provides revised budgets to Forecasting, which submits the budget for presentation to the Nicor Board of Directors.

2005 Budget Process for Operations

Operating Expense

The Operations Budget Analyst¹ prepares an Excel budget file to aid in the development of the 2005 budget. The file contains the monthly breakdowns of 3 years of historical data, an average of 3 years historical data, and the budget for 2004. The budget file also contains a fixed payroll template, a variable payroll template, and a blank template to detail out the 2005 budget.

Payroll Expenditures

Human Resources provides the payroll information for all active employees to Management Accounting. Management Accounting provides the payroll information for all active Operations employees to the Operations Budget Analyst.

Fixed Payroll Template

- The Operations Budget Analyst then enters the annual salary information for management and clerical personnel into the fixed payroll template to determine the monthly breakdowns for the budget year taking into account the corporate merit increase assumption provided by Human Resources. The merit increases are assumed to take place in March. This template spreads the annual salary amounts into the months based on workdays per month. Any car allowances to be received by management personnel are also entered into the fixed payroll template.
- Fixed payroll is then allocated to the appropriate activities based on the activity that each employee is primed to.

Variable Payroll Template

- Each department's hourly rates of its employees are accumulated and entered into the variable payroll template by the Operations Budget Analyst. The amount of variable man-hours available is calculated based upon the number of employees and the number of working days in a year.
- The variable payroll rate is used in conjunction with the man-hours per unit to calculate the total variable payroll for each activity.

The budget file is sent to the following budget preparers for completion:

General Manager of Operations²
Operations Manager³
Corrosion Activities Manager⁴
Manager of Operations Dispatching⁵
Program Administrator⁶
Manager Locating Services⁷
Meter Reading Manager⁸

¹ Mark Stroman

² Ron Roulo

³ Tom Renner

⁴ John Newhouse

⁵ Liz Rogers

⁶ Paul Qualiato

⁷ Jan Modaff

⁸ Nina Hunter

Coordinator of Technical Operations⁹
Manager Workload Administration¹⁰

- The budget preparers utilize the fixed and variable payroll templates to account for additional new hires, position terminations, departmental transfers, summer help, or interns.
- The budget preparers then complete the variable payroll template by filling in the amount of paid and non-paid absence hours, the amount of overtime hours, and the amount of work for and by others hours. After completing these sections, the total man-hours for a department that need to be spread are calculated.
- The variable payroll rate is then calculated based on the payroll information entered.
- The monthly budgeted headcount is determined based on current headcount adjusted for known new hires, position terminations, departmental transfers, and seasonal work.
- The man-hours are determined based on historical analysis of the man-hours per activity and the projected workload.

Non-payroll Expenditures

- Once the budget preparers have completed the payroll expenditures, they enter non-payroll expenditures into the 2005 budget templates. The expenditures are broken down monthly by activity by account category. They utilize the corporate assumptions for non-payroll inflationary increases as provided by the Finance area in the development of their budgets.
- After these templates are completed by the budget preparers, they are sent to the Assistant Vice President of Operations¹¹ for review, clarification, and refinement.
- After the budget preparers complete any revisions, the revised budgets are sent to the Operations Budget Analyst for consolidation. The Operations Budget Analyst reviews the consolidated budgets to ensure that the overall amount is reasonable and consistent with given guidelines.
- The Fleet Management budget is obtained from the Fleet Budget Analyst¹².
- The consolidated budget is submitted to the Assistant Vice President of Operations for final review and approval.
- The Operations Budget Analyst provides information to the Supply Operations Budget Analyst¹³ for consolidation up to the Senior Vice President of Operations¹⁴.
- The final 2005 budget is loaded into Essbase after approval by ERC.
- The Operations Budget Analyst verifies that the loaded amounts tie out to the amounts approved by ERC.

⁹ Doug Gibbs

¹⁰ Bob Goad

¹¹ Jim Griffin

¹² Marie LaPorte

¹³ Robin Olsen

¹⁴ Rocco D'Alessandro

Selected Items

- None

Intercompany Billing

- The General Manager of Operations and the Operations Manager project the Comfort Guard revenue that is transferred back into Operations from Nicor Services for work performed on behalf of Nicor Services.
- This monthly breakdown is provided to the Operations Budget Analyst to be uploaded into Essbase.
- The Operations Budget Analyst then verifies that the amount loaded for Comfort Guard Revenue is correct.

Capital

Replacement Regulators – Cap Type 175

- The Corrosion Manager¹⁵ determines the needs for 2005 based on historical data.
- Upon approval by the Capital Management Team (CMT), the monthly breakdowns are completed by the Corrosion Manager.
- The monthly breakdown is then provided to the Operations Budget Analyst to be uploaded into Essbase.
- The Operations Budget Analyst then verifies that the loaded amount is the same as the amount approved by CMT.

Corrosion Activity – Cap Type 200

- The Corrosion Manager determines the needs for 2005 based on projected corrosion work.
- Upon approval by CMT, the monthly breakdowns are completed by the Corrosion Manager.
- The monthly breakdown is then provided to the Operations Budget Analyst to be uploaded into Essbase.
- The Operations Budget Analyst then verifies that the loaded amount is the same as the amount approved by CMT.

Indirect Departmental Expense (IDE) – Cap Type 960

- The budget preparers as part of the development of the operating expense budgets determine the total expenditures for the supervisory activities.
- The portion to be capitalized is calculated by the Operations Budget Analyst based on the current capitalization rate and activities included in the IDE pool. (The current capitalization rate is based on the capitalization study conducted in 2002 and implemented in January 2003.)
- The Operations Budget Analyst then provides this information to the cap type owner (see page 52 for a listing of all cap type owners) for corporate consolidation.
- After the total IDE amount has been approved by CMT, the Operations Budget Analyst loads the information for the Operations area into Essbase ensuring that the

¹⁵ Somali Tomczak

credit loaded on the operating expense side and the expenditures loaded on the capital side are equal.

- The Operations Budget Analyst then verifies that the loaded amount for Operations is the same as the amount provided to the cap type owner.

General Plant – Cap Type 500

- The Operations Budget Analyst determines the amount needed based on historical expenditures for small tools, furniture, and office equipment. Current year special requests and projects are also taken into consideration.
- After approval by the Assistant Vice President of Operations, the Operations Budget Analyst provides this information to the cap type owner for corporate consolidation.
- After the Operations Budget Analyst is notified by the cap type owner that the budget has been approved by CMT, the Operations Budget Analyst loads the budget for general plant for the Operations area into Essbase.
- The Operations Budget Analyst then verifies that the loaded amount is the same as the amount provided to the cap type owner.

Capitalized Fleet – Cap Type 577

- Utilizing the pricing guidelines set forth by Fleet Management, the budget preparers determine the total expenditures for fuel as part of the development of the operating expense budgets.
- The portion to be capitalized is determined by the Operations Budget Analyst based on the current capitalization rate and activities affected by fuel. (The current capitalization rate is based on the capitalization study conducted in 2002 and implemented in January 2003.)
- The Operations Budget Analyst provides this information to the cap type owner for corporate consolidation.
- After the Operations Budget Analyst is notified by the cap type owner that the budget has been approved by CMT, the Operations Budget Analyst loads the budget for capitalized fleet for the Operations area into Essbase.
- The Operations Budget Analyst then verifies that the loaded amount is the same as the amount provided to the cap type owner.

2005 Budget Process for Fleet Management

Operating Expense

The Fleet Budget Analyst prepares an Excel budget file to aid in the development of the 2005 budget. The file contains the monthly breakdowns of 3 years of historical data, an average of 3 years historical data, and the budget for 2004. The budget file also contains a fixed payroll template, a variable payroll template, and a blank template to detail out the 2005 budget.

Payroll Expenditures

Human Resources provides the payroll information for all active employees to Management Accounting. Management Accounting provides the payroll information for all active Fleet employees to the Fleet Budget Analyst.

Fixed Payroll Template

- The Fleet Budget Analyst then enters the annual salary information for management and clerical personnel into the fixed payroll template to determine the monthly breakdowns for the budget year taking into account the corporate merit increase assumption provided by Human Resources. The merit increases are assumed to take place in March. This template spreads the annual salary amounts into the months based on workdays per month. Any car allowances to be received by management personnel are also entered into the fixed payroll template.
- Fixed payroll is then allocated to the appropriate activities based on the activity that each employee is primed to.

Variable Payroll Template

- Each department's hourly rates of its employees are accumulated and entered into the variable payroll template by the Fleet Budget Analyst. The amount of variable man-hours available is calculated based upon the number of employees and the number of working days in a year.
- The variable payroll rate is used in conjunction with the man-hours per unit to calculate the total variable payroll for each activity.

Based on discussions with the Manager of Fleet Management and Safety¹⁶, the Fleet Budget Analyst then completes the budget file.

- The fixed and variable payroll templates are utilized to account for additional new hires, position terminations, departmental transfers, summer help, or interns.
- The variable payroll template is completed by filling in the amount of paid and non-paid absence hours, the amount of overtime hours, and the amount of work for and by others hours.
- The monthly budgeted headcount is determined based on current headcount adjusted for known new hires, position terminations, departmental transfers, and seasonal work.

¹⁶ Dave Grote

Non-payroll Expenditures

- Once the payroll expenditures have been completed, the Fleet Budget Analyst enters non-payroll expenditures into the 2005 budget templates. The expenditures are broken down monthly by activity by account category. The corporate assumptions for non-payroll inflationary increases as provided by the Finance area are utilized in the development of the budgets.
- After these templates are completed by the Fleet Budget Analyst, they are sent to the Manager of Fleet Management and Safety for review, clarification, and refinement.
- After the Fleet Budget Analyst completes any revisions, the consolidated budget is submitted to the Manager of Fleet Management and Safety for final review and approval.
- The Fleet Budget Analyst provides information to the Operations Budget Analyst for consolidation up to the Assistant Vice President of Operations.
- The final 2005 budget is loaded into Essbase after approval by ERC.
- The Fleet Budget Analyst verifies that the loaded amounts tie out to the amounts approved by ERC.

Selected Items

- None

Intercompany billing

- None

Capital

Fleet – Cap Type 570

- The Fleet Budget Analyst arrives at the annual amount needed to maintain the fleet based on the rotating replacement schedule. The rotating replacement schedule dictates how many of each type of vehicle needs to be replaced in any given year based on the average life cycle for each vehicle type. This rotating replacement schedule allows the year-to-year expenditures for vehicle replacement to remain relatively flat, thus avoiding large peaks and valleys in capital expenditures.
- The cap type owner reviews the fleet amount and makes any necessary revisions.
- Upon approval by CMT, the Fleet Budget Analyst breaks down the annual expenditures by month. This monthly breakdown is based on historical information.
- After the monthly breakdown has been approved by the cap type owner, the Fleet Budget Analyst uploads the monthly breakdown into Essbase.
- The Fleet Budget Analyst then verifies that the loaded amount is the same as the amount approved by CMT.

Capitalized Fleet – Cap Type 577

- Once the operating expenditures have been finalized, the portion to be capitalized is calculated by the Budget Analysts for each area based on the current capitalization rate and activities included in the capitalized fleet pool. (The current capitalization

rate is based on the capitalization study conducted in 2002 and implemented in January 2003.)

- The Budget Analysts then provide this information to the Fleet Budget Analyst who consolidates the company wide information for the cap type owner.
- The cap type owner and Fleet Budget Analyst notify the Budget Analysts once the company wide amount has been approved by CMT.
- The Fleet Budget Analyst breaks down the annual amount for the Fleet area based on historical fuel usage by month. Other areas are loaded by the Budget Analyst responsible for that area.
- The Fleet Budget Analyst then loads the fleet information into Essbase ensuring that the credit loaded on the operating expense side and the expenditures loaded on the capital side are equal.
- The Fleet Budget Analyst also verifies that the total amount loaded by all the Budget Analysts ties to the amount approved by CMT.

Fleet Auction Proceeds – Cap Type 575

- The Fleet Budget Analyst and the Manager of Fleet Management and Safety determine whether one or two auctions are anticipated. From that, they determine the estimated types of vehicles to be put up for auction. The budget for fleet auction proceeds is then determined based on the historical proceeds for each vehicle type and the overall condition of the fleet.
- The monthly breakdown is based on when the auction(s) are expected to take place.
- Upon approval by CMT, the Fleet Budget Analyst loads these amounts into Essbase.
- The amount loaded into Essbase is then verified against the amount approved by CMT.

General Plant -- Cap Type 500

- The Fleet Budget Analyst determines the amount needed based on historical expenditures for small tools, furniture, and office equipment. Current year special requests and projects are also taken into consideration.
- After approval by the Manager of Fleet Management and Safety, the Fleet Budget Analyst provides this information to the cap type owner for corporate consolidation.
- After the Fleet Budget Analyst is notified by the cap type owner that the budget has been approved by CMT, the Fleet Budget Analyst loads the budget for general plant for the Fleet area into Essbase.
- The Fleet Budget Analyst then verifies that the loaded amount is the same as the amount provided to the cap type owner.

2005 Budget Process for Engineering, Tech Services, Supply Ops, and Sr. VP of Operations

Operating Expense

The Supply Operations Budget Analyst prepares an Excel budget file to aid in the development of the 2005 budget. The file contains the monthly breakdowns of 3 years of historical data, an average of 3 years historical data, and the budget for 2004. The budget file also contains a fixed payroll template, a variable payroll template, and a blank template to detail out the 2005 budget.

Payroll Expenditures

Human Resources provides the payroll information for all active employees to Management Accounting. Management Accounting provides the payroll information for all active Supply Operations employees to the Supply Operations Budget Analyst.

Fixed Payroll Template

- The Supply Operations Budget Analyst then enters the annual salary information for management and clerical personnel into the fixed payroll template to determine the monthly breakdowns for the budget year taking into account the corporate merit increase assumption provided by Human Resources. The merit increases are assumed to take place in March. This template spreads the annual salary amounts into the months based on workdays per month. Any car allowances to be received by management personnel are also entered into the fixed payroll template.
- Fixed payroll is then allocated to the appropriate activities based on the activity that each employee is primed to.

Variable Payroll Template

- Each department's hourly rates of its employees are accumulated and entered into the variable payroll template by the Supply Operations Budget Analyst. The amount of variable man-hours available is calculated based upon the number of employees and the number of working days in a year.
- The variable payroll rate is used in conjunction with the man-hours per unit to calculate the total variable payroll for each activity.

The budget file is sent to the budget preparers (see page 19) for completion.

- The budget preparers utilize the fixed and variable payroll templates to account for additional new hires, position terminations, departmental transfers, summer help, or interns.
- The budget preparers then complete the variable payroll template by filling in the amount of paid and non-paid absence hours, the amount of overtime hours, and the amount of work for and by others hours. After completing these sections, the total man-hours for a department that need to be spread are calculated.
- The variable payroll rate is then calculated based on the payroll information entered.
- The monthly budgeted headcount is determined based on current headcount adjusted for known new hires, position terminations, departmental transfers, and seasonal work.

- The man-hours are determined based on historical analysis of the man-hours per activity.

Non-payroll Expenditures

- Once the budget preparers have completed the payroll expenditures, they enter non-payroll expenditures into the 2005 budget templates. The expenditures are broken down monthly by activity by account category. They utilize the corporate assumptions for non-payroll inflationary increases as provided by the Finance area in the development of their budgets.
- After these templates are completed by the budget preparers, they are sent to the budget reviewers (see page 19) for review, clarification, and refinement.
- After the budget preparers complete any revisions, the revised budgets are sent to the Supply Operations Budget Analyst for consolidation. The Supply Operations Budget Analyst reviews the consolidated budgets to ensure that the overall amount is reasonable and consistent with given guidelines.
- The consolidated budget is submitted to the Senior Vice President of Operations for final review and approval.
- The final 2005 budget is loaded into Essbase after approval by ERC.
- The Supply Operations Budget Analyst verifies that the loaded amounts tie out to the amounts approved by ERC.

Selected Items

Company Use & Free Gas

- The Coordinator of Compliance Development¹⁷ determines the budget for 2005 based on anticipated usage and the most current pricing available.
- The monthly breakdown for company use and free gas is provided to the Supply Operations Budget Analyst by the Coordinator of Compliance Development once it has been approved by the Sr. Vice President of Operations.
- The Supply Operations Budget Analyst then loads the information into Essbase.
- Verification of the amount loaded is performed to ensure that it ties to the amount approved by ERC.

Intercompany

- None

Capital

Storage – Cap Types 466 thru 471

- The Storage Manager¹⁸ and the Supply Operations Budget Analyst meet with regional personnel to establish a project list for 2005.
- The Storage Manager and the two regional supervisors¹⁹ then prioritize the projects.

¹⁷ Dave Brown

¹⁸ Joe Deters

¹⁹ Michael Fugate and Roy Delagarza

- The Storage Manager determines the cutoff point on the list based on available resources.
- Upon approval by CMT, the costs are broken down into months by the regional supervisors. The monthly breakdown is based on when the work is expected to be performed.
- The monthly breakdown is then provided to the Supply Operations Budget Analyst to be uploaded into Essbase.
- The Supply Operations Budget Analyst then verifies that the loaded amount is the same as the amount approved by CMT.

Meters and Rate 74 Cap Types – Cap Type 094 and 095

- The General Supervisor of Meter Activities²⁰ determines the budget for 2005 based on historical data and anticipated needs.
- The General Supervisor of Meter Activities provides the monthly breakdowns and annual amounts to the Supply Operations Budget Analyst to be uploaded into Essbase once it has been approved by the General Manager of Tech Training and Measurement²¹.
- The Supply Operations Budget Analyst then verifies that the loaded amount is the same as the amount approved by CMT.

Engineering Overheads – GO – Cap Type 920

- For indirect engineering overhead activities, the budget preparer determines the total expenditures as part of the development of the operating expense budgets. The budget preparer is aided by the historical data provided by the Supply Operations Budget Analyst.
- The portion to be capitalized is calculated by the Supply Operations Budget Analyst based on the current capitalization rate and activities included in the engineering overheads pool. (The current capitalization rate is based on the capitalization study conducted in 2002 and implemented in January 2003.)
- For any direct capital activities, the Chief Engineer²² determines the needs for 2005 based on historical data.
- After the total Engineering Overhead - GO amount has been approved by CMT, the Supply Operations Budget Analyst loads the information into Essbase. The Supply Operations Budget Analyst also ensures that the credit loaded on the operating expense side and the expenditure loaded on the capital side are equal for any indirect activities.
- The Supply Operations Budget Analyst then verifies that the loaded amount is the same as the amount approved by CMT.

Indirect Departmental Expense (IDE) – Cap Type 960

- The budget preparers determine the total expenditures for the IDE activities as part of the development of the operating expense budgets.

²⁰ Jeff Johnson

²¹ Chris Overgaard

²² Kristine Nichols

- The portion to be capitalized is calculated by the Supply Operations Budget Analyst based on the current capitalization rate and activities included in the IDE pool. (The current capitalization rate is based on the capitalization study conducted in 2002 and implemented in January 2003.)
- The Supply Operations Budget Analyst then provides this information to the cap type owner for corporate consolidation.
- After the total IDE amount has been reviewed by CMT, the Supply Operations Budget Analyst loads the information for the Supply Operations area into Essbase ensuring that the credit loaded on the operating expense side and the expenditures loaded on the capital side are equal.
- The Supply Operations Budget Analyst then verifies that the loaded amount for Supply Operations is the same as the amount provided to the cap type owner.

General Plant -- Cap Type 500

- The Supply Operations Budget Analyst determines the amount needed based on historical expenditures for small tools, furniture, and office equipment. Current year special requests and projects are also taken into consideration.
- After approval by the Assistant Vice President of Supply Operations²³, the Supply Operations Budget Analyst provides this information to the cap type owner for corporate consolidation.
- After the Supply Operations Budget Analyst is notified by the cap type owner that the budget has been approved by CMT, the Supply Operations Budget Analyst loads the budget for general plant for the Supply Operations area into Essbase.
- The Supply Operations Budget Analyst then verifies that the loaded amount is the same as the amount provided to the cap type owner.

Capitalized Fleet – Cap Type 577

- Utilizing the pricing guidelines set forth by Fleet Management, the budget preparers determine the total expenditures for fuel as part of the development of the operating expense budgets.
- The portion to be capitalized is determined by the Supply Operations Budget Analyst based on the current capitalization rate and activities affected by fuel. (The current capitalization rate is based on the capitalization study conducted in 2002 and implemented in January 2003.)
- The Supply Operations Budget Analyst provides this information to the cap type owner for corporate consolidation.
- After the Supply Operations Budget Analyst is notified by the cap type owner that the budget has been approved by CMT, the Supply Operations Budget Analyst loads the budget for capitalized fleet for the Supply Operations area into Essbase.
- The Supply Operations Budget Analyst then verifies that the loaded amount is the same as the amount provided to the cap type owner.

²³ Ted Lenart

Senior VP of Operations

<u>Preparers</u>	<u>Reviewers</u>	<u>Area</u>
<u>Engineering</u>		
Jim Jerozal	Kris Nichols	Environmental Services, Technical Services
Hans Bell	Kris Nichols	IMP, Drafting
Mickey Grewal	Kris Nichols	System Planning & Forecasting
Kris Nichols	Kris Nichols	Chief Engineering, Control Systems
<u>Technical Services and Measurement</u>		
Dave Shipley	Chris Overgaard	Technical Services and Development, Quality Assessment
Mike Burkhart	Chris Overgaard	Technical Training
Jeff Johnson	Chris Overgaard	Measurement
<u>SR VP Operations</u>		
Robin Olsen	Rocco D'Alessandro	SR VP Operations Admin
<u>AVP Supply Operations</u>		
Robin Olsen	Ted Lenart	AVP Supply Operations Admin
Beth Hohisel	Ted Lenart	Gas Supply
Len Gilmore	Ted Lenart	Pipeline Reg & Planning
Joe Deters	Ted Lenart	Storage Management
Roy DeLaGarza, Mike Fugate	Joe Deters/Ted Lenart	Storage - South/West Regions
Maureen Williams	Ted Lenart	Gas Control
Dave Brown	Ted Lenart	Company Use & Fuel Gas